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# **Latin America Report**



**FOREIGN BROADCAST INFORMATION SERVICE**

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24 August 1984

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## WEST GERMAN TRADE BALANCE WITH CARIBBEAN STATES WIDENS

London THE CARIBBEAN & WEST INDIES CHRONICLE in English Jun-Jul 84 p viii

[Text]

West Germany's positive trade balance with the Caribbean widened dramatically in 1983 from DM38m in 1982 to DM130m last year. At the same time, Germany's trade deficit with Central America fell slightly from DM779.2m in 1982 to DM570.8m last year.

West German exports to the Caribbean rose from DM471.3m in 1982 to DM482.2m in 1983, while German imports fell from DM433m to DM351.7m over the same period. Total trade between West Germany and the Caribbean was 7.7% down on 1982.

## WEST GERMAN TRADE WITH THE CARIBBEAN (DM MILLIONS)

	German Exports to:		German Imports from:	
	1982	1983	1982	1983
<b>Caribbean</b>				
Antigua & Barbuda	—	1.1	—	—
Barbados	20.3	28.7	2.5	3.9
Belize	1.5	0.8	3.2	0.8
Dominica	0.6	0.5	0.02	0.3
Dominican Republic	59.6	74.3	7.5	16.6
Grenada	2.1	0.7	3.9	4.9
Guyana	21.1	11.6	31.3	29.6
Haiti	27.5	35.2	32.0	46.1
Jamaica	56.2	58.9	12.3	9.8
Cuba	155.8	165.0	78.2	77.8
St Lucia	1.0	1.2	0.01	0.001
St Vincent	0.6	1.9	0.08	0.05
Suriname	33.6	28.8	117.6	132.8
Trinidad & Tobago	91.4	73.5	144.4	29.1
<b>Total Caribbean</b>	<b>471.3</b>	<b>482.2</b>	<b>433.01</b>	<b>351.75</b>
<b>Central America</b>				
Costa Rica	56.1	99.0	252.5	225.1
El Salvador	66.1	81.8	365.2	412.6
Guatemala	134.7	120.9	162.3	133.4
Honduras	31.0	45.5	173.3	112.7
Nicaragua	33.2	31.9	89.8	97.7
Panama	179.6	288.0	236.8	256.4
<b>Total Central America</b>	<b>500.7</b>	<b>667.1</b>	<b>1279.9</b>	<b>1237.9</b>

Source: West German Federal Ministry for Economic Affairs



PERUVIANS SEE CHILEAN ARMS BUILDUP AS THREATENING

Lima EQUIS X in Spanish 23 Jul 84 pp 14-15

[Text] Arming has been a constant factor in the history of Chile, although during the second half of the last decade it reached unusual levels. This could be explained at the time by the heated dispute with Argentina over the Beagle, which appeared to be at the point of ending in an armed conflict. Chile was preparing to defend itself from the likely Plata attacks, cutting Argentina's territory in two.

What is shocking is that, after Argentina was defeated by Great Britain in the Falklands, which exhausted it militarily for several 5-year periods, and after, owing to that same fact, Alfonsin's government accepted the Chilean terms on the Beagle, obtained through papal mediation; what is shocking, as we say, is the fact that Pinochet has not reduced the pace of his arming, but rather, on the contrary, is heightening it day by day, as if he were faced with an imminent threat of war.

But no one is threatening Chile. Consequently, it becomes obvious that its present arming has a clearly offensive orientation; an offensive, not against Argentina, which would be difficult to attack because of their lengthy common border which would enable Argentina to counterattack, cutting Chile like a salami. An offensive actually against Peru, which would be easier for it to attack without fear of an intensive response. In addition, in the case of Peru, Chile has the enormous advantage of being able to manipulate at will its lesser ally in Quito, with whose aid it could attack us from the north and south.

Additional evidence that Chilean arming is aimed against us lies in the fact that its weapons purchases relate directly to the need for opposing Peruvian weapons. It is as if they were following our footsteps in a tight chess game. For example, when our Air Force increased its units with aircraft such as the "Sukhoi," Chile was concerned about purchasing high-speed planes to counter it. When our Army was preparing to receive the Soviet-made tanks, the Chilean Command was ordering a search for more effective methods of attacking those tanks. Hence, the studies have led to the manufacture, by Chile itself, of antitank bazookas and even the manufacture of chemical weapons, consisting of the use of products capable of perforating any armor.

The renovation of the Chilean Air Force is what forced the FAP [Peruvian Air Force] to purchase the Mirage 2000's without which the balance on that level would be broken in Chile's favor. The development of chemical-type antitank weapons would force our Army to redesign its plan for the use of tanks.

As in 1979 (in the unfortunate event that a war should occur again), now also a conflict would be resolved at sea, in other words, in the naval area. This is why the Chileans have undertaken a gigantic program to renovate naval units, including the purchase of submarines. In this regard it should be noted that the Chilean Navy is gradually coming to match our submarine fleet, which has always been the leading one in South America. There is deep concern on the part of the Navy high command as to how to act if the balance in submarine forces is ever broken in Chile's favor.

And Chile's weaponry purchases seem to be endless: 10 percent of Chile's national budget is allocated for its Armed Forces, whereas in Peru the budget earmarks only 3 percent for that item. The military claim that, if the same position is maintained, very soon Chile will be equipped to attack us with a technological superiority of three to one. This is not counting Ecuador which, as Chile has done, is preparing itself by purchasing weapons that would counter those which Peru already has.

It is in view of the foregoing that the Armed Forces continue to insist that the government consider what sacrifice would be good, provided an attempt must be made to avoid another tragic surprise such as the one in 1979. Whether we want to or not, we are obliged not to fail to win in the arms race, because so long as the balance is not broken, war could be avoided. It would suffice to have the imbalance established in favor of Chile and Ecuador, to make a conflict imminent, one in which we would obviously be defeated.

Such is the anxious reasoning of the Peruvian military.

2909

CSO: 3348/513

CHILE NOTES PERUVIAN ACQUISITIONS

Santiago EL MERCURIO in Spanish 25 Jul 84 p C-1

[Text] The minister of national defense, Vice Adm (ret) Patricio Carvajal Prado, has stated that there is no similar military potential in the southern cone of the American continent. He added that, understandably, the recent negotiations carried out by Peru regarding the purchase of 26 Mirage-2000 aircraft would accentuate the imbalance that exists in this area.

He made these remarks yesterday upon being asked about Peru's purchase of a shipment of modern combat aircraft. The imports include 40 Exocet AM-39 missiles.

First, the state secretary noted: "It is not incumbent on us to make statements regarding purchases of other countries. These are sovereign, and they know their requirements. There are no comments on this."

In response to other questions, Minister Carvajal said: "I can only say what I have said before, to the effect that there is no balance in the southern cone of America where weapons are concerned."

He added that Chile has "a material inferiority in comparison with our neighbors, something that is very well known; so one cannot talk about a balance."

As for the possibility that this imbalance might become heightened by the purchase made by Peru, he replied: "Well, that is a logical conclusion."

'Self-Sufficiency'

The defense minister was also questioned about the agreement signed yesterday between the aeronautics firms CASA [Aeronautical Construction, Inc] of Spain and ENAER [National Aeronautical Enterprise] of Chile.

"This is, unquestionably, a very great step forward: the country's self-sufficiency. We have observed often how sales of ordnance have been interrupted for political reasons, in this case involving Chile. There is no doubt that this is a very great obstacle, because it reduces the country's independence. This highly significant event is extremely important, because it will help to maintain that independence."

2909

CSO: 3348/513

ANTI-BURNHAM GROUP IN TRINIDAD CRITICIZES CHAMBERS

Port-of-Spain TRINIDAD GUARDIAN in English 17 Jul 84 p 18

[Text]

A LOCAL group calling itself the Committee to Isolate Racist Guyana has deemed it "astonishing" that Trinidad and Tobago Government does not know of any abuse of human rights in Guyana.

The group's Chairman, Mr. Anand Singh, in a statement, referred to the surprising and shocking admission by Prime Minister George Chambers that Government had no information about abuse of human rights in Guyana. The group called for Government to make an immediate and official inquiry into the situation in Guyana.

If serious abuses of rights are found, the group suggests this Government cut off economic, political and diplomatic links with that country and should in particular, cut off oil sales and loans to that country.

The group spoke of "flagrant and open rigging of elections", Government control of the judiciary, interference with trade union rights of individuals, control of the Press, police and military repression of critics with the example of Walter Rodney, open discrimination in employment in the Public Service, with the military and civil service swearing loyalty to the party instead of the Government.

The Committee called on the Human Rights Bureau, political parties and individuals in this country to "help dispel the ignorance of the Government on Guyana."

CSO: 3298/998



CARIBBEAN CONGRESS OF LABOUR DISCUSSES WAGE CURBS ISSUE

Port-of-Spain TRINIDAD GUARDIAN in English 10 Jul 84 p 5

[Text]

ROSEAU, Mon., (Cana);

SECRETARY GENERAL of the Barbados-based Caribbean Congress of Labour (CCL), Kertist Augustus, says Caribbean leaders must be sincere in their dealings with trade unions, if the unions are to consider wage restraint.

Augustus said here that any sacrifice in wage restraint must come from all parties.

He was reacting to a comment emanating from the just-concluded Caribbean Community (Caricom) Heads of Government Conference in the Bahamas, on the need for wage restraint throughout the society.

The leaders specifically urged unionists, in a document called the Nassau "Understanding," to play their part in limiting and moderating claims for increases in remuneration packages.

Augustus said: "They (Caribbean leaders) must be pretty open and sincere with us when they are talking about restraints, and we feel that the process of collective bargaining can result in the sort of restraint that the Caribbean Government have asked for."

**SPECIFIC PERIOD**

Augustus said it was easy for Caribbean Governments to make statements "of this sort, the im-

plementation of the statement is what is important."

"We would have to see the implementation of these types of things before we could say anything about it," he said after being told that company executives had also been called upon to freeze salaries and fringe benefits for a specific period.

"It doesn't automatically follow that because Caribbean Governments ask for a freeze it is going to happen," he added.

"We are not opposed to the whole question of considering it. If sacrifices have to be made, it must be made by all."

Augustus said the new thinking among the region's employers was that people should consider a cut-back in salaries, as was done in the United States, but added: "If you want Caribbean workers to consider cutbacks ... then you must give similar rates as workers in the United States enjoy, and Caribbean workers cannot enjoy that."

CSO: 3298/988

## INTER-AMERICAN AFFAIRS

### GUYANA GROUP HITS ST VINCENT BAN ON MARXIST WRITINGS

Georgetown MIRROR in English 24 Jun 84 p 4

[Text] THE Union of Guyanese Journalists (UGJ) has joined in the region-wide condemnation of the Cato government of St. Vincent for cowardly slapping anti-communist 'subversive literature' charges on Renwick Rose, a leader of the opposition United People's Movement and Editor of Justice newspaper.

The UGJ notes that the charges, coming on the eve of announcement of fresh elections on September 18, are intended to whip up anti-communist hostility against the UPM and to discredit its leaders.

The UGJ accuses the Cato regime of another sinister motive of associating the UPM with the spread of the so-called 'Marxist virus' in St. Vincent at the same time that the US occupationist forces would be putting Marxism-Leninism on trial in Grenada during the conspiracy case in respect of the death of Maurice Bishop.

Progressive Guyanese journalists denounce this attempt to make election propaganda at the expense of the right of citizens to information in a country that is supposedly independent and democratic, as being both cheap and vile, and smacks of Mc Carthyite witch-hunting. The Cato regime should immediately drop the charges against Rose, and repeal the antiquated colonial legislation under which the charges were made.

Rose was charged with being in possession of three copies of 'Soviet Weekly' and two copies of 'World Trade Union Report'. These charges came on the heels of bold exposures by the Justice editor of alleged misdemeanours of the country's Attorney General who is under heavy pressures to resign.

According to reports coming out of St. Vincent a posse of heavily-armed United States-trained policemen, numbering 18, swooped down on Rose on June 10 last. They took up combat positions in and around Rose's house, dug up his yard and searched his premises for a period lasting two hours. At the end of the futile search, the 'subversive literature.' Charges were slapped on him.

CSO: 3298/988

## INTER-AMERICAN AFFAIRS

### BRIEFS

PARLIAMENT ADOPTS PERUVIAN PROPOSAL--The recent special assembly of the Latin American Parliament meeting in Costa Rica, agreed to recommend to the governments of the nations of the region that they refrain from making new expenditures for purchasing arms as long as the present foreign debt repayment crisis remains. This initiative was presented by the Peruvian delegation, with the support of the Ecuadorean delegate Marco Proano. The accord notes that the problems imposed on the nations of the region by repayment of the external debt have endangered their economic and social stability and their internal democratic order, according to a report by Andres Townsend in Lima. He also stated that armament purchase expenditures constitute one of the principal causes of the massive foreign indebtedness, whose servicing results in taking valuable resources from other areas important to the economic and social development of our peoples. [Text] [Lima EL COMERCIO in Spanish 30 Jul 84 p A-4]

CSO: 3348/531

## ANTIGUA AND BARBUDA

### BRIEFS

**AMBASSADORIAL APPOINTMENT**--Antigua and Barbudas longest serving parliamentarian who resigned last April after 39 unbroken years in Parliament, is now Antigua and Barbudas newest ambassador. The Ministry of Foreign Affairs announced on June 19th, the appointment of Mr. Ernest Williams as Ambassador Extra-ordinary for the Government of Antigua and Barbuda. Mr. Williams served as Minister of Public Works in successive Labour Governments and was Minister of Public Utilities, Aviation & Public Information at the time of his resignation. He has also acted as Prime Minister on several occasions. His appointment went into effect on June 18th. [Text] [St Johns NATION'S VOICE in English 29 Jun 84 p 2]

**HOUSE DEPUTY SPEAKER**--The first medical practitioner to be elected to Antigua & Barbuda's House of Representative, since the advent of universal equal and secret franchise is now the new Deputy Speaker of the House. Dr. Rodney Williams, the son of former Public Utilities Aviation & Information Minister Ernest E. Williams. Young Williams ran in the St. Paul's Constituency his father represented for 39 unbroken years, and won handsomely over the 4 other candidates that ran in that Constituency. [Text] [St Johns NATION'S VOICE in English 7 Jun 84 p 2]

**INDUSTRIAL DEVELOPMENT BOARD**--The Cabinet of Antigua and Barbuda has directed the Ministry of Economic Development, Energy and Tourism to re-organize the Industrial Development Board which has been operating under a colonial legislative Act since 1952 when it was established. The Act is to be amended to reflect conditions as they exist in the country today. This newspaper understand that the new fast rising Minister in the Economic ministry Mr. Molwyn Joseph has been assigned the task of selecting personnel for the Board and to co-ordinate its functions with those of his ministry. Mr. James 'Bags' Thomas has been appointed as chairman of the Board. Other members reflect the views of a cross section of the community. It is understood that the function of the Board are to be widened, and that they would be part of the decision making on any investment earmarked for Antigua and Barbuda. The first chairman of the Board was the Rt. Hon Prime Minister. The Board was responsible for the establishment of both the Sweet Oil and Corn Meal factories at Cassada Gardens. The Prime Minister is keen to see that the Board is given the fullest support in its efforts. The Executive Secretary of the Board is Mr. George Goodwin. [Text] [St Johns THE WORKERS VOICE in English 30 Jun 84 p 1]



## MODERATE POLITICAL FORCES SEEK UNIFICATION

### Parties Seek To Unite

Buenos Aires LA NACION in Spanish 25 Jul 84 pp 1, 5

[Article by Enrique Comellas]

[Text] Corrientes--Today this city may witness the first step in the process of creating a new moderate force of far-reaching scope that would place Governor Jose Antonio Romero Feris in a much broader and more ambitious path than the Liberal Autonomist Pact that took him to the highest office in the province last year.

This is the first specific political definition of Romero Feris during the current period in the direction of becoming one of the main backers of a "moderate national" democratic force, in his words, one that will ensure the final convergence of the most important moderate groups in our country.

The meeting will point up in a single forum the opinion of a whole group of provincial parties with representation in the different legislatures and the nation's Congress, on issues such as federal co-participation, industrial promotion and the development of border areas. However, it will have a much more profound political content because it will endeavor to design common political strategies.

### Summons

The call for the meeting was formulated by the Liberal Autonomist Pact led by Romero Feris and national Senator Ricardo Leconte. It will be attended by the following: the Bloquista Party of San Juan; Renewal of Salta; the Democratic Party of Mendoza; Chubutense Action; the Federal Vanguard of Tucuman; the Fueguina Popular Union; the Chaqueña Unity Party; the Catamarqueno Popular Party; the Pampeano Federalist Party; the Jujeno Popular Party and the Popular Action Party of Formosa.

Representing these groups at the first assembly held to discuss accords were personages such as Ismael Amit, Roque Gonzalez, Horacio Guzman and Celestino Gelsi, among others. Their aim is to initiate a process of rapprochement that might lead to a confederal political group or the Nationalist Autonomist

Party, an old idea of autonomists and especially Romero Feris, as the positions of provincial leaders come closer together.

Some of the names mentioned will bring the trade unionist winds of the Popular Federalist Force (FUFEPO) to Corrientes, but as part of a trend that to date has been no more than a mere representative of a moderate sector like any other. Their purpose will be to analyze the possibility of common action on political issues and from an integrated standpoint.

#### National Moderate Force

One should recall the recent words of Romero Feris on this meeting to the effect that it is a question of the "first assembly of provincial parties outside the framework of the FUFEPO, to which some of the groups invited belong." The intent is to create a moderate, federalist force that is nationalist in scope, one that will include a vast sector of the population which does not feel it is politically represented." He added that "we still do not know what the force we are creating will be called, but I would not call it of the center."

On that occasion, Romero Feris also spoke of the possibility of integration with the Democratic Center Union headed by national Deputy Alvaro Alsogaray. He added that "that is an issue we should analyze." Alsogaray will not come to Corrientes, nor will the conservative forces grouped together in the Democratic Concentration, meaning that this meeting may result in the formation of a third great moderate trend.

#### Federalism Affirmed

Buenos Aires LA NACION in Spanish 26 Jul 84 p 6

[Article by Enrique Comellas]

[Text] Corrientes--With the signing of a joint document expressing the intention of coordinating common political actions, the meeting of moderate political parties -- which many speakers labeled as historic -- having national and provincial legislative representation came to a close here. The parties make up one of the sectors of the national spectrum of moderate groupings in the country and have thus initiated the process of forming what could be the broadest federalist movement in the country, as the result of a confederated assembly.

Summoned by the Autonomist and Liberal parties, headed by Governor Jose Antonio Romero Feris and national Senator Ricardo Leconte, over 150 leaders of the following met: Chubutense Action, the Popular Action Party of Formosa, the Pampeano Federalist Party, the Jujeno Popular Party, the Catamarqueno Popular Party, Chaquena Unity, the Bloquista Party of San Juan, the Renewal Party of Salta, the Federal Vanguard of Tucuman and from the Corrientes district of the Progressive Democratic Party, represented by the intendant of Governor Virasoro, Dardo Decoppet.

Delegations were also sent by the Democratic Party of Mendoza, the Provincial Popular Movement of San Luis, and the Popular Line Movement of Entre Rios, Corrientes and Buenos Aires Province.

### Deliberations

Deliberations began at 1000 hours at the Guarani Hotel in this city and came to a close after 1900 hours, following a 15-minute break. The meeting was presided over by Romero Feris, who called it "an act of reaffirmed faith in federalism" and added that it was "an initial step for the consolidation of a fitting and pragmatic modern federalist people's instrument."

Leconte then spoke to note that "there are in the country between 2 and 3 million voters who are moderates and who supported President Alfonsin before the election, but who do not feel represented." Leconte appealed for "sincerity, greatness and humility" in "outlining the possibility of forming the third major force which the country urgently needs."

Ulloa, Amit, Leconte, Guzman, Balestra and Solari Ballesteros spoke in that order, pointing out the need to build "a party, not of sectors, but of the people and national in scope," to use the words of Ballesteros, a party that "will be concerned in complete seriousness and responsibility with education and poverty and all the problems affecting the poorest groups," meaning "a truly responsible commitment to the people," again in the words of Ballesteros.

The list of speakers ended with the governor of San Juan and head of the Bloquista Party, Leopoldo Bravo, who urged the formation of a "modern federalist movement" and proposed a specific motion to create a working committee in charge of drafting the first document of the meeting. The committee, which worked out the statement early in the afternoon, was made up of Romero Feris, Ulloa, Bravo and Leconte.

### Document

The document, submitted for the approval of the assembly and unanimously passed in the second part of the meeting, urged the organization of "a political channel national in scope, respecting political individuality" and formed on the basis of effective federalism. In its resolutions, the statement proposes the following: 1) promoting this measure in the districts; 2) considering this political proposal open to all sectors that feel represented by it; and 3) naming Romero Feris as coordinator until the next meeting to be held in San Juan in two months.

Feris closed the meeting by pointing out that our country "will end up being a land of feudalism if this democratic process fails" and affirming that "this is why it is necessary to breathe new life into democracy."

The 150 leaders and heads of the moderate and federalist forces going to Corrientes seeking unity withdrew from the meeting room after 2000 hours in an atmosphere of optimism and informality. As we said yesterday, Corrientes today witnessed the birth of a process of consolidation of a great federal

movement that can be the result of a combination of provincial parties organized into a confederal structure.

### Spirit of Unity

Buenos Aires LA NACION in Spanish 27 Jul 84 p 5

[Article by Enrique Comellas]

[Text] Corrientes--Moderate political forces meeting here today achieved the minimum objective proposed and embarked on the path of a political appeal open to all sectors that identify with federalism, looking to the creation of a "modern moderate nucleus that will not be of the center or the left or the right," to use the words of the head of the Bloquista Party of San Juan, who is also the governor of that province and one of the most seasoned provincial leaders, Leopoldo Bravo.

The definition, similar in content to those formulated by national deputies Alejandro Solari Ballesteros and Ricardo Balestra and by the head of the Liberal Party of Corrientes, national Senator Ricardo Leconte: the three-point agreement signed by all those attending (called the Corrientes Declaration) and the final words of the head of the provincial Executive Branch and leader of autonomism, Jose Antonio Romero Feris, make up the most significant action taken all day long.

A new political phase in the direction of one of the broadest sectors of what has heretofore been known as "national centrism" was opened up to a broader constituency, which will be gradually defined over the next 60 days with the coordination of Romero Feris. The next chapter will take place in San Juan, where it is hoped that the first organic outline of the group will be drafted that may lead down the path of confederation.

In Corrientes, federalism was the great banner hoisted by all parties present, with a spirit of unity that reemphasized the values of political pragmatism above and beyond ideological positions, placing the people above all definitions and at all times seeking a modern and progressive national synthesis. The lieutenant governor of the province perhaps found the most precise term when he said: "We must put ourselves in the place of the people."

### National, Popular Forces

Corrientes was the scene of the convergence of Argentine federal thought and the formation of a national force of the people. In his final address, which at times bordered on a harangue, Romero Feris emphasized that "the challenge we face is one of giving life to this democracy, leading it away from the hybrid nature and unrealistic schemes that thwarted it for half a century. That is why it is urgent to breathe new life into our political and social sphere, so plagued with confusion and false expectations. If this incipient democracy fails," he added, "there will be no future for anyone, no future for our country, because the nation will end up by being a land of feudalism."



The federalist movement germinated here, along with the Democratic Center Union, headed by national Deputy Alvaro Alsogaray, and the democratic accords achieved to date and led by Jose Manuel Avellaneda, comprise a third faction of the same sector, which seems to have begun to forge its own political path in search of a "new political majority," to use Feris' words. In the broad context of national politics, it supports "national unity with loyalty, but as a vigorous and active framework for facing the crisis," in accordance with the document approved, but understanding that "that document cannot be used merely as a rhetorical formality or mere political palliative, but rather, as a precondition for the overall utilization of national energies."

To date, the agreement noted with the two remaining moderate groups: the Democratic Concentration, on the one hand, and the group led by Alsogaray, is the affirmation that there has been a deterioration of federalism due to the loss of provincial autonomy, which creates some exclusion of the interior. However, Corrientes seemed to witness the emergence of a force determined to be national in scope and of the people and it remains to be seen whether federalism is at any time a common element with sufficient strength to sustain the final convergence of the three factions.

11,464

CSO: 3348/503

## ARGENTINA

### RADICAL DEPUTY SUBMITS BILL PROPOSING FOREIGN TRADE BANK

Buenos Aires CLARIN in Spanish 8 Jul 84 p 20

[Text] A bill 13 pages long with 45 articles proposing the creation of a national foreign trade bank will be introduced by the deputy Ruben Rabanal in the next few days, as he announced some time ago.

This bill calls for combining in one agency all the departments, institutes, sections, and agencies, along with their respective staff, of the government banking sector which deals with the financing of foreign trade, the substitution of [domestic products for] imports, and the reconversion of the manufacturing sector through the direct or indirect influence of the foreign sector. The purpose of this bill is to promote "Argentina's foreign trade, in order to guarantee a substantial improvement in the balance of payments."

The bank will finance mid and long-term loans, using national capital. These loans will go primarily to small and mid-sized enterprises. It will draw on its own resources and those it may obtain from other markets as well.

After covering aspects related to the bank's location, capital, functioning, etc., starting in article 36 and continuing in the following articles, the bill describes the operations planned for this institution.

The bill states that "the bank will perform by itself or with the participation of other Argentine or foreign agencies, all operations proper to banks." In addition, it is also authorized to issue bonds and other obligations (with the agreement of the Central Bank and the authorization of the ministry of the economy).

Financing and security will be granted to foreign firms, organizations, and institutions purchasing Argentine goods or

services directly. In addition, the production, stocks, and sales of Argentine goods or services intended for export will be given assistance, to cover the costs and expenses related to the export of such merchandise.

Imports required by Argentine exporting companies will be aided, up to a maximum amount equivalent to 75 percent of the value of their exports.

The bill states that the bank will cover risks incurred by the exporter; it will make market studies and product quality studies; it will advertise abroad merchandise of Argentine origin; it will import raw materials, intermediate goods, or capital, as well as services, up to 100 percent of the value in foreign currency of the merchandise imported. It will also make purchases abroad designed to expand or modernize Argentina's manufacturing apparatus.

#### Development Credits

One of the bank's purposes is to finance the business cycle of companies that manufacture products with a high added value, primarily capital goods, and the imports needed for them.

Another section covers aid for establishing new exporting firms or firms which will produce replacements for imports, for the expansion of warehouse space and transport facilities, and for conducting pre-investment studies for projects related to foreign trade.

The bank will not be able to issue credit to the nation, provinces, or municipalities; its relations with the executive will be conducted through the Central Bank; its jurisdiction will be federal; it will pay no national taxes for operations it performs, including bonds it issues; nor will its contracts and documents with its clients be taxed. This could be extended to the provincial area after arrangements which the law may authorize.

7679

CSO: 3348/507

## ARGENTINA

### AUTO PRODUCTION, SALES REGISTER INCREASE

Buenos Aires LA NACION in Spanish 15 Jul 84 p 14

[Text] Automobile production in June was 8.4 percent higher than in May and 10.6 percent higher than in June 1983. The production figures for June--17,077 units--are the highest since May 1981.

The ADEFA [Association of Motor Vehicle Manufacturers] report notes that total sales in June increased by 11.8 percent over May, and were up 17.4 percent compared to June 1983. In addition, the number of vehicles sold in June--16,415 units--is the highest monthly figure since April 1981.

Total sales in the first half of this year were up 6.8 percent over the same period of 1983, and are the highest amount recorded since the first half of 1981.

The report breaks total sales down as follows: deliveries to dealers: 15,932 units; and for the export market: 483.

#### Production by Company

There was a big decline--nearly 30 percent--in Ford's production, which from a level of 30,640 vehicles in the first half of 1983, declined to 21,518 for the same period of 1984. According to the sources consulted, this may have been caused partly by the strikes that shut down the General Pacheco plant for several days.

Volkswagen was one of the four companies manufacturing automobiles, along with Ford, Sevel, and Renault. VW had the biggest growth, which we see when comparing figures for the first half of 1984 with the 1983 statistics. During this period in 1983, VW manufactured 6,700 vehicles, compared with its production of 10,817 this year, a 38 percent upturn.

Also increasing their production--though not to the same extent as VW--were Sevel Argentina and Renault. For Sevel the increase, still measured in relation to the first half of 1983, was 8.6 percent (1983: 18,360 units; 1984: 20,096). Renault increased its production by 7.5 percent, up from 18,304 in 1983 to 19,808 this year.

The ADEFA report notes a 1.4 percent decline in production figures for the first 6 months of 1984, compared with the 1983 statistics.

In conclusion, on the subject of total sales, the vehicles sold in the first 6 months of 1984 reflect an increase of nearly 7 percent over sales in the same period of 1983.

7679

CSO: 3348/507



## ARGENTINA

### GRAIN MARKET OUTLOOK FOR 1985 SEEN TO FAVOR CORN, SOYBEANS

Buenos Aires LA NACION in Spanish 21 Jul 84 sec 3 p 2

[Text] The market outlook for the next corn and soybean crop is quite favorable, to judge by the current trends in world prices; the same cannot be said, however, for oilseeds in general, whose prices have fallen for 2 straight months, and especially for sorghum because the corn-sorghum price ratio is below normal.

According to estimates, there have been slight declines in the crop areas for the various grains, except soybeans, whose acreage has continued to expand.

This was the overall picture painted by the manager of the grains area of the company Bunge and Born, accountant Guillermo A. Carracedo, in response to a LA NACION inquiry about the outlook for the upcoming crop year.

Carracedo pointed out that as far as corn and sorghum are concerned, "we would think that there is going to be a decline in the crop area. In the 1981-1982 crop year there were about 3.7 million hectares under corn, with a yield of a little more than 3,000 kilograms per hectare harvested. In the following farm year, however, in other words 1982-1983, there was a decline in the crop area to 3.4 million hectares, with a yield just under 3,000 kilograms per hectare harvested. In 1983-1984, the crop area was 3.3 million hectares, with a yield of about 3,100 kilograms per hectare harvested."

#### Sorghum and Oilseeds

With respect to sorghum, Carracedo added, the figures were 2.7 million hectares under cultivation in the 1981-1982 farm year, with a yield of about 3,200 kilograms per harvested hectare. During the following farm year there was a falloff in the crop area to 2.6 million hectares, with almost the same yield, and in the last farm season, 1983-1984, the crop area was around 2.7 million hectares, with a slight drop in yield from the previous year.

With regard to oilseeds, Carracedo explained that the drop in world market prices "is obviously going to make Argentine growers a bit less enthusiastic, although we can also assert that at this point in the farming season growers have already decided how much they are going to plant." He added that according to estimates there is going to be an increase in soybean acreage "in contrast to the falloff that we have been seeing in the other grains."

#### Slight Changes

"This shows," he went on to say, "that the changes from one year to the next are not major, although we can establish that the area under corn and sorghum is trending downwards, while the area under oilseeds, especially soybeans, is rising.

"As always, output is going to depend on the weather, and on the basis of the last few years we can estimate that unless there is some major weather problem, the average yields of recent years are going to repeat themselves."

#### Price Patterns

When asked for his opinion about crop prices, Carracedo indicated that on the basis of price patterns on world markets "the feeling is that the prices for the next harvest will be at least similar to this year's." He then added that "this year the U.S. harvest is going to begin with very low reserves, especially in corn, and thus the weather over the next 30 days in the United States could alter the quotes for the next harvest, but only upwards. The current market is already assuming heavy production, and consequently any factor that might change the size of the U.S. harvest will boost market prices."

He indicated that the size of the Soviet harvest might also push prices higher, inasmuch as "it has been commented that the current purchases of U.S. commodities show that the Soviet harvest is so-so and that the Russian traders feel that at this point the market can only go higher." With regard to soybeans, "the hope is that world prices will continue to rise, especially in the wake of the rumors that the Soviet Union is buying on the U.S. market."

#### The Local Market

Regarding local prices, Carracedo asserted that "I should point out that the corn-sorghum price ratio was higher this year than it has been in recent years. Normally, sorghum sells for \$15 to \$20 below corn, but as of mid-year it was being traded at more than \$30 under corn."

"Analyzing the situation exclusively from the standpoint of prices, we can assert that growers who have the option of planting another

crop will try to avoid planting sorghum," adding that "the bigger gap between corn and sorghum prices caused some shipment problems, because with sorghum prices very low growers tried to minimize their costs by avoiding truck freight, for example, especially in areas that are very far from port."

He mentioned, in conclusion, that the differences between truck and railway freight charges "are very significant, and thus growers preferred to use the latter mode of transportation. As I said, it also caused some problems at ports, because trucks are a major means of hauling merchandise and they were being disregarded at the loading point."

8743

CSO: 3348/502

## ARGENTINA

### LAND EXPROPRIATION PROPOSAL EVOKES CONTROVERSY

Buenos Aires LA NACION in Spanish 24 Jul 84 p 18

[Article by Daniel Ponce, special LA NACION correspondent: "Bills That Discourage Private Investment"]

[Text] Santa Fe--The bills calling for the expropriation of fields in the northwest of this province have prompted much adverse reaction among the public and from the various farm organizations.

Those who oppose the controversial bill sponsored by Radical Deputy Eduardo Carreras certainly seem to have stronger arguments than the provincial lawmaker. Take, for example, his opinion that the fields will produce appreciably more after they are subdivided. Carreras neither amplifies on nor satisfactorily supports this assertion. "They will produce more," he told this correspondent, but when asked why, his answer was unclear, so much so that his remarks could not be reproduced here.

One of the many opinions that LA NACION heard in the province was that Deputy Carreras's action was self-seeking. This was how Nestor Vittori, the vice president of the Rural Association in this city, felt. "This is typical electioneering," he said. "His intention simply seems to be to win votes by distributing property."

Vittori pointed out that his group takes a traditional stand on these bills, as it "opposes any type of expropriation." He added that there should be no talk of productive or unproductive fields; the important thing is "to uphold the security of land tenure," and just talking about the issue "adversely affects legal guarantees."

CARCLO [Confederation of Central and Western Littoral Rural Associations]

Dr Santiago Rabasedas, the president of CARCLO, stated that he was opposed to Carreras's bills, indicating that what every investor basically requires is security and profitability and that security merely means security under the law.

Rabasedas indicated that this implies that the State must guarantee the inviolability of private property. "Our National Constitution establishes this principle and says that private property can be expropriated only for public use purposes, pursuant to a law and with prior compensation."

The CARCLO president clarified that public use should be understood to mean "general interest," that is, the interest of all. "We can make an analogy here with recent developments," he noted, "such as the expropriation of El Albardon in the province of Buenos Aires. How can the general interest be proven? Simply by claiming that ownership by a company or by a family will pass into the hands of several individuals? Who can say whether the fields that he wants to expropriate aren't being farmed adequately and don't produce what they ought to? And in the final accounting, who can guarantee that they will in the future?"

According to Rabasedas, we also have to look at profit margins. He indicated that it is a mistake to think that a household is the most profitable economic unit. "A family can live decently off its land, but that does not mean that its plot is optimally profitable, far from it," he asserted.

"It is obvious," he said, "that some lawmakers are not clear about how private capital ought to be invested, and above all they are almost totally unaware of reality. The people who would be awarded these lands will have to be granted long-term loans so that they can buy equipment and have working capital. The questions are, however: With what funds, when there is not enough liquidity for even a temporary advance? And at what interest rate, because at current rates no farm is profitable enough to afford them?"

In conclusion, the CARCLO president stated that his group is categorically opposed to expropriation and stressed that the private sector must make the necessary investments to boost output, make the country wealthier and, consequently, generate the exportable surpluses that will at least enable us to meet the interest payments on "our frightening foreign debt."

"Hence," he wound up, "if we are convinced that we need private investment, including foreign investment, let us agree that we have to guarantee investors security and profitability. The recent comment that the German prime minister made in our country should suffice: 'Germany is prepared to invest in Argentina, but it requires secure conditions.'"

8743

CSO: 3348/502



## ARGENTINA

### BRIEFS

**ELMA UPGRADES FLEET**--Rene Charpentier, the president of ELMA [Argentine Shipping Lines], announced a fleet renovation plan calling for the construction of eight multipurpose ships with a total gross registry weight of 170,000 tons, between 1985 and 1989. Charpentier, accompanied by the directors of different divisions of the firm, discussed ELMA's current economic, financial, commercial, and technical status with the minister of public works and services, the engineer Roque Carranza. The investment required for building these ships, he explained, will be obtained as follows: \$20.5 million from the firm's own resources; \$166.1 million from capital invested in ELMA by the state; and \$60 million from the fund designed to protect national industry. This plan, he reported, will enable the firm to recover the freight capacity it had in 1981. In addition, it was made clear that ELMA's traditional traffic is being maintained, and that the firm's financial status may be described as "good," although it is feeling the impact of interest payments on a \$100 million loan it obtained in 1981 to finance the construction of three refrigerated ships. [Text] [Buenos Aires LA NACION in Spanish 18 Jul 84 p 15] 7679

**WHEAT ACREAGE**--According to the initial estimates of the Economic Research Service of the Banco Ganadero Argentino, the wheat crop area in the 1984/85 growing season will be about 15 percent smaller (6.1 million hectares) than last year's. If we assume, then, that the harvested area will be about 90 percent of the cultivated area (5.5 million hectares) and that the yield will be similar to the 1983/84 farm year (1,788 kilograms per hectare), production will total around 9.8 million tons, as compared to 12.3 million in 1983/84. The outlook for wheat on world markets is generally unfavorable. This can be attributed to record production (505 million tons) and stable demand, which will further boost the already abundant reserves. In contrast, the outlook for feed grains on the world market is favorable, though it hinges largely on the next U.S. crop, which will hit the market in September. Beef cattle prices dropped in real terms in May-June, due to an oversupply of cattle, which stemmed from field conditions that were even poorer than usual during this season. This development apparently suggests a slowdown in the replenishing of the livestock herd that has been going on since mid-1982, which in turn raises fears as to whether the herd will regain a size consistent with balanced beef supplies in the medium term. [Text] [Buenos Aires LA PRENSA in Spanish 26 Jul 84 sec 2 p 2] 8743

BUSINESSMEN CONTINUE TO FAVOR CHAVES TO SUCCEED FIGUEIREDO

Rio de Janeiro O GLOBO in Portuguese 27 Jul 84 p 2

[Text] Sao Paulo--Vice President Aureliano Chaves continues to be the candidate preferred by businessmen to succeed President Figueiredo, according to a nationwide poll of 287 executives published in this weekend's edition of EXAME magazine.

The vice president leads in either direct or indirect elections, repeating the outcome of the same survey made in the second half of last year. By the direct process, Aureliano has 35.7 percent and in the case of indirect elections he is the choice of 54.9 percent.

The survey notes that most of the replies could have been different if they had been given by the executives after formation of the Liberal Front and announcement of the candidacy of Tancredo Neves, governor of Minas Gerais. The sampling was concluded on 16 July. In any event, Tancredo Neves was in second place, receiving 12.3 percent of the votes in case of direct elections and 19.3 percent if the choice is by the indirect process.

In case direct election is approved, the third choice of the businessmen is Olavo Setubal, president of Banco Itau, with 9.8 percent, with Paulo Maluf (5.3 percent) in fourth place and Leonel Brizola (4.9 percent) fifth. Mario Andreazza, minister of the interior and presidential hopeful, is not on the list of candidates preferred by executives to succeed President Figueiredo.

However, if the election is conducted through the Electoral College, Maluf would receive 10.2 percent of the executives' votes while Setubal would fall to fourth place, with only 2.9 percent of the votes.

The same survey found that in the economic area most of the businessmen consider the Figueiredo administration to have the poorest performance (86 percent) among post-1964 governments. The administration that received the most support was that of President Castello Branco (54.9 percent in the political field and 69.7 percent in the economic area).

The businessmen felt that in the political field the worst government was that of President Medici (58.6 percent).

## POLL SHOWS FURTHER DECLINE IN FIGUEIREDO'S POPULARITY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Aug 84 p 6

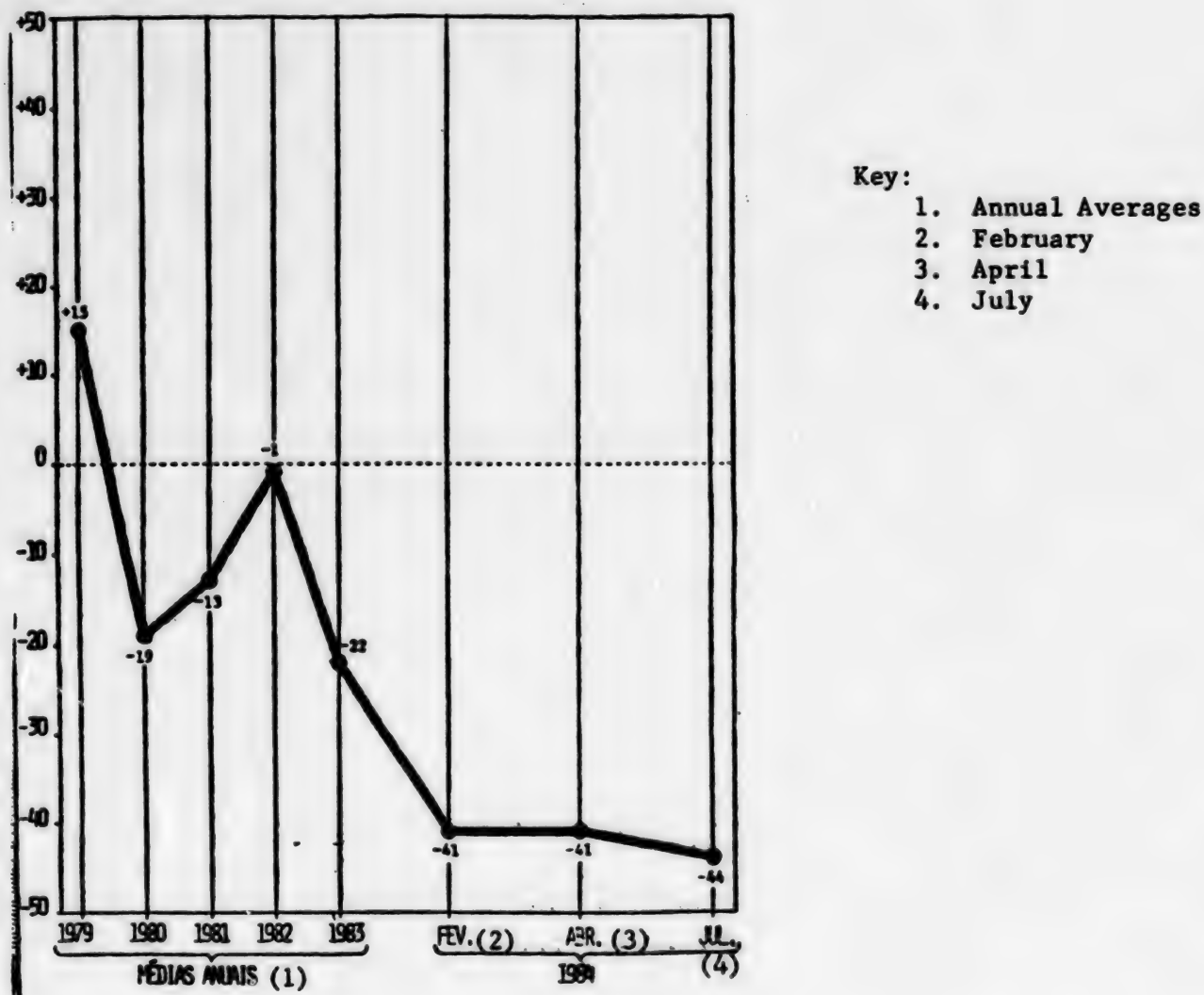
[Text] Public dissatisfaction with the Figueiredo government increased significantly during the last quarter and its popularity rating set a new low record: minus 44. The surveys made in February and April of this year by the Gallup Institute of Public Opinion had already shown a high percentage of public disapproval (67 percent) of the Figueiredo government, which at that time had a popularity rating of minus 41. This trend of negative evaluation has been in force since 1980. There was a substantial improvement in the period preceding the 1982 elections, but there have been successive records of disapproval since last year, when the average was minus 22.

In the sampling of 2,754 interviews made between 7 and 27 July by Gallup the percentage of disapproval of the Figueiredo government rose from 67 to 68 percent, while the replies indicating approval fell from 26 to 24 percent compared with the surveys made in April and February. The difference between these percentages determines the popularity rating, which at the beginning of the Figueiredo government was still positive (plus 15), but in 1980 it fell to minus 19; in the following year it was minus 13 and in election year it was minus 1. The 24 percent approving also represents a record: it is the smallest percentage of those interviewed that support President Figueiredo, contending that he is governing "well" or "very well." Only 4 percent of those interviewed believe that he is doing "very well" in the government, an evaluation made by 16 percent in 1979.

The same question has been asked in all the surveys since the beginning of this administration and popularity is measured on a scale of five points. About 3 percent rated the government's performance on the "very poor" point of this scale in 1979; in last month's interviews this percentage was 18 percent--another record for President Figueiredo.

The universe of the survey included 180 cities in 20 states. Of those interviewed, 35 percent were in state capitals, 33 percent were in cities with more than 50,000 inhabitants, 19 percent were in municipalities with 10,000 to 50,000 inhabitants, 7 percent were in cities with 5,000 to 10,000 and 6 percent were in those having less than 5,000. Persons living in small cities--less than 10,000 inhabitants--gave the highest popularity ratings (plus 33 and plus 42) to President Figueiredo in 1979, but last month's poll showed that even in these areas public dissatisfaction is increasing, now indicating more uniformity in the replies of those interviewed. In towns with less than 5,000 inhabitants the rating was minus 43 and in

**Annual Popularity Rating of Figueiredo Government  
With Brazilian Public (May 1979 through July 1984)**



and in those between 5,000 and 10,000 it was minus 39. President Figueiredo had his best rating (minus 35) in cities with 10,000 to 50,000 inhabitants, but the cities with over 50,000 had the greatest disapproval--a rating of minus 48--while the evaluation of residents in state capitals was minus 45, very close to the government's average popularity rating of minus 44.

#### Regions

In the Southeast region, 71 percent of the 1,468 interviewed disapproved of the Figueiredo government, an evaluation similar to that of 70 percent of the 408 interviewed in the South region. In the Northeast this percentage fell to 63 percent of the 602 interviewed, while in the North/Center-West region there was

59 percent disapproval among the 276 interviewed. The last-named region also showed the highest percentage of approval (35 percent), although the popularity rating is still negative: minus 24. This tendency toward a greater accommodation to President Figueiredo has persisted since 1979 in the North/Center-West region, as it has in the Northeast, which evaluates the government's performance better now (27 percent approval and 63 percent disapproval) than in April (24 percent and 69 percent, respectively), raising the popularity rating in the Northeast from minus 45 to minus 36. The South, however, disapproved more of the government's performance in February, when 74 percent of those interviewed disapproved and only 19 percent approved, giving a rating of minus 55, the lowest nationwide. Now, 23 percent approve and 70 percent disapprove, raising the rating to minus 47. In the Southeast, the nation's most populous region, Figueiredo had both the highest percentage of disapproval (71 percent) and the lowest percentage of approval (21 percent), with the lowest popularity rating during the month of July: minus 50. The percentages of interviews per region were: 53 percent in the Southeast, 22 percent in the Northeast, 15 percent in the South and 10 percent in the North/Center-West.

The region with the least proportion of abstentions was the North/Center-West (6 percent), while 10 percent in the Northeast preferred not to make an evaluation of the Figueiredo government. In the South, 7 percent had no opinion and in the Southeast, 8 percent. It is also significant that only 2 percent of those interviewed in the South believe that Figueiredo is governing "very well," an evaluation of 3 percent of the inhabitants in the Southeast, 7 percent in the Northeast and 11 percent in the North/Center-West.

The most numerous portion (39 percent) of the population, however, believes that President Figueiredo's government is "middling"--an evaluation considered negative in the methodology adopted by the Gallup Institute. This percentage is similar nationwide, varying between 41 percent (South) and 37 percent (Northeast and North/Center-West), while it is 39 percent in the Southeast.

Class D has the largest number of interviews (35 percent), followed by Class C (34 percent). Classes B (14 percent), E (12 percent) and A (5 percent) shared the remaining third of the total. The greatest number of those interviewed (41 percent) is in the age bracket between 18 and 29 years; 38 percent are between 30 and 49 and the other 21 percent are over 50. There were only 16 more women in the total interviewed.

8834

CSO: 3342/143



# ARMS, AMMUNITION MAY BE TRADED FOR SAUDI OIL

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Jul 84 p 2

[Text] Rio de Janeiro--Brazil may exchange weapons and ammunition for Saudi Arabian oil, it was conceded yesterday by Antonio Carlos Soares, manager of Quimica Tupa [Tupa Chemical Company]. The company's proving grounds in Nova Iguacu, Rio de Janeiro State, were visited this week by Gen Yusif Ibrahim Al Sallun, Saudi Arabia director general of ordnance industries. Soares said that the original estimate of \$10 million of exports of ordnance materiel produced by the firm could be exceeded.

Saudi imports of Brazilian ordnance materiel could be between \$60 million and \$80 million, in keeping with purchase options made by the general. He has already arranged with the seven Brazilian companies he visited to send a Saudi mission that will conclude the negotiations.

Antonio Carlos Soares of Tupa said he will not object if the Brazilian Government's preference for trading arms and ammunition for Saudi oil is confirmed, "because sales of ordnance materiel must be made so as to satisfy the interests of both parties, and that of Brazil, particularly, may be to make the exchange." The businessman affirmed that the negotiations with Saudi Arabia should result in expanded exports for Tupa.

Tupa is a relatively new company in the international armaments market. For the 27 years of its existence it has traditionally been a manufacturer of gunpowder and cartridges, including plastic shells, for hunting. In 1978 Tupa began making more goods for military use, and not just those for police.

But Tupa was not the only one to be visited by Gen Yusif Ibrahim Al Sallun, who also went to ENGESA [Specialized Engineers, Inc.], Avibras, IMBEL [Ordnance Industry], Britanite, CBC [Brazilian Cartridge Company] and Valparaiba, showing a detailed interest in what Brazil's ordnance industry had to offer.

Amandio de Carvalho, Tupa superintendent, said that his exports are made mainly to the Middle East, but also to Latin America and Africa. Among the Arab countries that have bought ordnance materiel produced by his company he mentioned Libya, Saudi Arabia and Kuwait.

The weapons that most interested Gen Yusif Ibrahim Al Sallun during his visit to Tupa were the smoke grenade for tanks, the manual smoke grenade, the antitank mine,

antipersonnel mine, grenade for controlling troop movements, signals for guiding troop movements, manual signaling rocket with parachutes and grenade launcher. General Sallun attended a demonstration of armaments at the Tupa proving grounds, saying he was pleased with the materiel's performance.

Currently, Tupa is developing an aerial antimissile system that could divert guided missiles to an airship, avoiding its destruction. Tupa's superintendent, Amandio de Carvalho, acknowledged that this project "will need the assistance of the Air Ministry, but it is technically feasible."

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CSO: 3342/143

## NAVAL EFFORTS TO ABSORB FRG TECHNOLOGY DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Jul 84 p 2

[Text] Rio de Janeiro--"Construction of the new submarine for the Brazil Navy in West Germany will be an important step so that--with absorption of technology--within a short time Brazil will be able to build any type of combat craft."

This prediction was made yesterday by Fleet Admiral Luiz Leal Ferreira, emphasizing development of the nation's shipbuilding industry and stressing that "it must be preserved."

The admiral stressed that immediately after beginning of construction on the class IKL-209 1400 submarine in Germany (which will be one of the most modern conventional submarines in the world) construction of a combat craft of the same type will begin at the Navy Arsenal in Rio de Janeiro.

Leal Ferreira further emphasized that construction of a submarine will be an important experience for Brazil, taking into consideration not only its sophistication as a combat craft but also its structure, which must be more reinforced. The Navy Arsenal in Rio (which has already constructed two sophisticated frigates) will be prepared for executing the submarine project, which is being directed by Adm Paulo Geraldo de Almeida Barbosa.

### Domestic Construction

The plan for reequipping the Brazilian Navy was based on one of the navy's major goals, which has had more support since the administration of Adalberto de Barros Nunes. This plan was carried through during the administrations of navy ministers Geraldo Azevedo Henning, Maximiano da Fonseca and Alfredo Karam.

Thanks to the continuity, it was possible to build the frigates, other smaller craft and the training ship just baptized "Brasil," which in 1987 will take the midshipmen on their training cruise.

Other projects were also feasible, such as the aerial target, the simulator and armaments that will be essential for the nation's naval strength, not only because they meet the navy's firepower needs but also because they can be made in Brazil without depending on foreign industry which at decisive moments is governed by political considerations.

## Antisubmarine Craft

The navy has plans to build 4 corvettes in an initial phase but, according to a study made by its General Staff, Brazil needs at least 16 of such combat craft for antisubmarine warfare. Reduction to six units in the first phase of the plan was a result of budget restrictions.

According to Fleet Adm Luiz Leal Ferreira, "for the coastline it has, Brazil needs a larger navy, but when one cannot do what is needed one must do what one can." The admiral said, in conclusion, that the difference between what the navy needs to have and what it does have can disappear through preparation of its manpower in a high-level training program.

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CSO: 3342/143

## BRIEFS

**NEW TRADE SURPLUS PROJECTION--**Brasilia--By maintaining an average monthly surplus of about \$1 billion from July through December, Brazil's trade surplus this year could reach \$12 billion, which is 33 percent more than the goal of \$9 billion set originally. The new trade-surplus forecast was made by Carlos Viacava, president of CACEX (Foreign Trade Department of Banco do Brasil) to Pedro Conde, of Banco de Credito Nacional, one of the representatives of private bankers on the National Monetary Council. At a meeting of the council yesterday, Pedro Conde reports, Viacava said that July's trade balance could show a surplus of \$1.2 billion and an average monthly surplus for the rest of the year of \$1 billion would assure a surplus of \$12 billion. Official figures show that from January through June the trade balance had a surplus of \$6.026 billion, resulting from exports of \$12.651 billion and imports of \$6.625 billion. The Brazilian Government's initial goal, worked out with the International Monetary Fund, was for a surplus of \$9 billion in the trade balance, later increased to \$10 billion, then \$11 billion and now \$12 billion. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Aug 84 p 25] 8834

**CTA EXPELS FAVELA RESIDENTS--**Officials of the Justice Ministry, assisted by military police, yesterday expelled 82 families--about 460 persons--from the "Caramujo" favela, built on Air Ministry land adjacent to the Aerospace Technology Center (CTA) in Sao Jose dos Campos. The right to repossess this area of about 4 alqueires [a Sao Paulo alqueire is 2.42 hectares, approximately 6 acres] was obtained from the Justice Ministry in 1978 and since then the CTA has been negotiating their departure with the favela's residents. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Jul 84 p 2] 8834

CSO: 3342/143



GOVERNMENT'S LETTER OF INTENTION TO IMF PUBLISHED

Santo Domingo LISTIN DIARIO in Spanish 21 Jul 84 p 5

[Text] The text of the letter of intention sent by the Dominican Government to the International Monetary Fund, concerning which there has been no agreement. The letter, addressed to the managing director of the IMF, Jacques de Larosiere, was delivered on 13 July by the official mission, headed by Finance Secretary Hugo Guiliani Cury, which visited that agency's headquarters in Washington. In view of the lack of agreement, IMF has suggested to the government the so-called "shadow agreement."

"Mr Jacques de Larosiere, Managing Director of the International Monetary Fund, Washington, D.C.

"Honorable Mr De Larosiere:

"1. In October 1982, the Government of the Dominican Republic devised a medium-term program aimed at achieving a viable status for the balance of payments, while at the same time establishing the bases for sustained economic growth. Given the great magnitude of the imbalances, both external and internal, which had occurred during the period 1980-82, the program for 1983 was concentrated on curbing the domestic demand (primarily through a substantial reduction in the public sector's deficit), and adjusting the rate of exchange on a moderate level, and within a suitable period of time.

"2. Several of the goals of the program for 1983 were attained. Specifically, the ceilings established for net international reserves, net internal assets and commercial arrears, and expenditures on loans with terms of under 10 years were met. The processing of recovering the State Sugar Council (CEA), the Dominican Corporation of State Enterprises (CORDE) and the Dominican Electricity Corporation (CDE) is an accomplishment of the present government which must be pointed out now, regardless of what is noted subsequently.

"Nevertheless, the combination of adverse factors, among which we might mention, on the international level, the drop in sugar prices, the reduction in demand for ferronickel and bauxite, the rise in interest rates, the decline in the terms for commercial exchange, as well as the heightening of protectionism; and, internally, the reduction during 1983 of the total deficit in the

non-financial public sector, which was ~~less~~ than programmed, and, since the pressure involving demand was greater than projected, the deficit in the balance of payments in both running account and global terms, which was larger than programmed.

"3. The policies for 1984 have been designed to reinforce the medium-term adjustment program, to correct the distortions that have upset our economy and to reactivate the growth in production and employment in our country. One of the principal goals is to eliminate the net financial requirements of the public sector during 1984. It is hoped that the levels reached will be consistent with the funds that can be obtained abroad, without any need for resorting to additional financing from the Central Bank and Reserve Bank of the Dominican Republic during 1984; so that a very badly needed reestablishment of the Central Bank's net international reserves and a reduction in the subsidy that the dollar has on the free market will be possible. The Government of the Dominican Republic reserves the right to use internal bank credit on low levels so long as there is no external financing planned for the public sector's pressing needs.

"4. Recently, measures were adopted to make substantial transfers of nearly all the commodities on the free market, which have been very extensive in implementing the greatly needed reform in the exchange system. Owing to a reiterated government decision, it has been impossible to change the official rate of the Dominican peso, but foreign exchange is being provided only at the official rate for the purpose of importing petroleum and its by-products, for the service on the public sector's foreign debt (payments of amortization and interest), and on the foreign debt recorded in the private sector effective 17 April 1984, and for importing food with financing from PL-480 and CCC of the United States of America. The new contracts for the foreign debt will be negotiated on the free market. All payments for products derived from petroleum and certain expenditures in foreign exchange on the part of the central government are based on the free market. Non-traditional exports, even though they are subject to the requirement on foreign currency exchange, are in fact receiving all or nearly all the free market rate, while traditional exports (mainly sugar, coffee, cacao, tobacco and minerals) and services have been granted an exchange incentive of 0.48 Dominican pesos per U.S. dollar.

"Imports of petroleum and its by-products will be transferred to a market equivalent to 1.50 Dominican pesos per dollar. Consistent with this measure, the prices of petroleum by-products to the consumer will be adjusted, taking into account their effect on the productive process and their effects on the cost of living, so that the increase will be less among the strata with lower incomes. During June 1984, the price of AV-TUR, a fuel used in aircraft, was raised. The price hikes that have been programmed will be reviewed periodically from the standpoint of possible changes in consumption and the additional adjustments needed to cover the cost in pesos of imported petroleum will be made, retaining the existing taxes. Any increase in oil prices on the international market will be immediately transferred to the users. Obviously, the treatment of the Dominican Electricity Corporation will be maintained at the official parity of one Dominican peso per dollar, because we do not consider an increase in rates to consumers on any level to be fair.

"The effectiveness of the measures involving exchange will also be subjected to periodic evaluation.

"5. To achieve the improvement programmed for public finances, the government has stressed its plan for austerity in spending and implemented a set of important tax measures. Since January 1984, the imports made through the free market have been evaluated for tax purposes at the free market exchange rate, or a rate of 1.70 Dominican pesos per U.S. dollar, whichever is lower; and, starting on the date when the petroleum imports are transferred to a preferential market, the payment of taxes on nearly all imported products will be made at an exchange rate of 2.00 Dominican pesos per U.S. dollar, or the free market rate, whichever is lower.

"9. To promote the flow of private financial savings and to ensure an efficient allocation of financial resources on the basis of the changes in a flexible exchange system, the government is intensifying its efforts to bolster the financial system and to increase the flexibility of interest rates. A very important step toward this goal is the decision to heighten the attractiveness of the high yield financial certificates which had been introduced at the end of 1982. The minimal denomination of these certificates will be reduced to a sum of 1,000 Dominican pesos; the maturity period will be cut to a minimum of 6 months; and there will be authorization for the yield rate of these certificates to be adjusted above the limits that are in effect abroad or by the domestic inflation rate and the exchange rate on the free market. Other financial measures and measures involving interest rates are being studied in the light of an evaluation of the financial system being made by the Central Bank. The effectiveness and coverage of the interest rate policies will be subjected to an evaluation in the context of the periodic consultations with the IMF on the progress achieved in implementing the program.

"10. The IMF's financial assistance would be directed toward the attainment of an improvement in the Central Bank's international reserves at the end of the adjustment period. The net international reserves have been programmed to increase by about \$20 million which is missing in 1984. The lags in the area of external payments will be reduced during 1984 insofar as, and to the extent allowed by the results of the adjustments, the accrual of revenue in dollars and, in general, the progress in the country's economic activity.

#### Economic Policies for 1985

"11. a. During 1985, the economic policy that the Government of National Concentration will implement will be consistent with the program of stabilization and adjustment initiated in 1983 and continued in 1984.

"b. In fact, during November 1984 a draft budget for 1985 will be submitted to the National Congress, founded upon a realistic basis of estimated revenue and spending that will reflect the continuation of the policy of austerity in current spending and rationality in public investment. It will also be a balanced budget in which the external funds will be used to fill the gap between income and outlays on a reasonable investment level.

"c. In order to accrue additional funds, the 1985 budget will include the following bills:

"1. Limits on income tax exemptions and on the granting of incentives for investment.

"2. Amendments to Law 48.

"3. Reductions in the exemptions for import taxes.

"4. Intensification of the general sales tax (ITBI), eliminating exemptions and raising the present rate.

"As a result of these measures, it is estimated that the tax collections could increase by approximately 150 million Dominican pesos per year.

"d. The exchange rate for imports of petroleum and its by-products will be gradually adjusted until it reaches the level of 2.00 Dominican pesos per dollar, without necessarily raising the sales prices of these products to their end consumers. Nevertheless, any increase in oil prices on the international market will be immediately transferred to the users.

"e. The exchange incentive for traditional exports and services will be gradually increased until it approaches the level of 2.00 Dominican pesos per dollar, taking into account the effects of its cost on imported input.

"f. The program to improve administrative and operational efficiency in the decentralized enterprises, particularly CDE, CEA, CORDE and INESPRE [National Institute of Price Stabilization], will be continued.

"12. Finally, the Government of the Dominican Republic promises not to introduce new multiple exchange policies nor to intensify restrictions on payments and transfers for current payments abroad, nor to embark upon bilateral agreements on payments that are not consistent with Article VIII of the International Monetary Fund's constituent convention.

"13. The Dominican Government wants to convey to the International Monetary Fund's Board of Directors the notion that the measures enunciated in this letter of intention constitute the maximum effort that it can expend to adjust the main aspects of its economy that are compatible with the sociopolitical situation that the country is experiencing at present. We acknowledge the need for the measures to adjust and correct our economy, and the beneficial effect that they will bring over the medium term; and hence we are willing to adopt them within the context of maintaining sovereignty and democracy, essential elements for the nation's political and social stability, for the defense of the real wages and employment level of the working classes and for a deliberate impetus to the economy, in order to neutralize the recessive effects of the adjustment.

With sentiments of the highest regard, you are greeted by:

"Hugo Guiliani Cury, State Secretary of Finance;

"L. Orlando Haza, Technical Secretary of the Presidency;

"Jose Santos Taveras, Governor, Central Bank of the Dominican Republic;

"Milton Messina, Economic Adviser to the President of the Republic."

2909

CSO: 3248/719



ADDITION TO IMF LETTER OF INTENT

Santo Domingo LISTIN DIARIO in Spanish 24 Jul 84 p 2-C

[Text] Because of a typographical error in the text of the government's letter of intent to the Monetary Fund published on Saturday by LISTIN DIARIO, the points numbered from 6 to 9 did not appear.

Yesterday, the Information and Press Office of the Presidency of the Republic provided the complete text of that message. We are now publishing the points that were omitted in the type-setting.

"The Central Government's total expenses (excluding amortization of the debt in the process of negotiation with the Paris Club and to the commercial banks) will be limited to 1.2278 billion Dominican pesos in 1984, compared with 1.1812 billion in 1983. As a result of the readjustment, the control of government spending in 1984 concentrated on investment expenses that are financed totally by domestic funds. These expenses will be limited to no more than 110.0 million Dominican pesos in 1984, if the necessary revenue is procured, 30.0 million of which will be allocated to pay the tax credit certificates for housing which are in effect, and the rest to cover any transfer of capital or investment expenditure. This amount of investment financed completely with domestic funds will be increased as special funds of internal and external origin that can be earmarked for this purpose are accrued. All the necessary effort will be expended to avoid cuts in projects that have external financing. It has been estimated that the government's total net investment will amount to 197.6 million Dominican pesos in 1984, unless the funds are obtained that would make it possible to raise the investment level with internal funds, for which purpose the government is adopting the measures noted in the foregoing paragraph 5. The restructuring of the investment programs for 1984 will be done on the basis of strict priorities. It is estimated that the central government's current spending level will rise slightly during 1984, mainly because of the increase in the minimum wage that occurred recently, and the central government's commitment to cover the energy accounts for the rest of the public sector.

"7. Surpassing previous government administrations insofar as state enterprises are concerned, as we said previously, in 1983 progress was made toward an obvious improvement in their operational efficiency and the strengthening of their financial position. These efforts will be intensified in the immediate future. The general policy principle that will be applied in 1984 will be that

the CORDE [Dominican Corporation of State Enterprises] companies will have access only to credit from the official and commercial banks for normal operations in the course of their business, and not for financing deficits. Hence, the CORDE enterprises will adjust the prices of their goods and services in order to maintain a viable position, in view of increments in their costs. Based upon this criterion, the price of flour was raised to cover the deficit at Dominican Mills, Inc, which occurred as a result of the higher cost of its input. Also, the price of cement was increased recently to cover the increased costs of the cement plant owned by CORDE, and the plants in the private sector. Along the same line, all the other enterprises belonging to the CORDE group will adjust their prices to cover the increase in their costs. The State Sugar Council (CEA), as well as the private sugar mills, are receiving additional revenue from the exchange adjustment and the increases that have already occurred in domestic sugar prices; which enables them to offset the rises in prices of their input and salaries. The State Sugar Council is implementing a plan, financed partially with a loan from the World Bank, to modernize the sugar mills and the transportation system, and to enhance the improvement of the enterprise's administration. The Dominican Electricity Corporation (CDE), which has already achieved significant improvements, has also negotiated a loan with the World Bank to back the program for raising collections through the mechanization of its accounting, the modernization of the light meters and the control of the energy drain, which is in Congress. Meanwhile, major efforts are being made to maintain the prompt payment of the energy accounts of the public sector's entities.

"The government will intensify its efforts to improve the operations of the National Institute of Price Stabilization (INESPRE) and its financial position, which has been strengthened as a result of a series of price hikes put into effect in mid-April 1984, as well as on behalf of the intensification of the existing administrative controls. By April 1984, the INESPRE operations showed a surplus, and it is expected that the deficit accumulated during previous years will be largely eliminated. Although the products marketed by INESPRE are purchased with foreign exchange at the official dollar parity, their sales prices to purchasers reflect an approximately parity of two times one, in order to make them similar to those on the free market; but the government will continue its efforts aimed at keeping the cost of the family market basket at the minimal level possible. Generally speaking, the government will maintain the public sector's rates and prices in line with its costs insofar as possible.

"8. The projections of the Central Bank's operations for 1984 have been made so that they will be consistent with the refinancing of the amortization and payment of interest owed to the countries which are members of the Paris Club, started in August 1983, amounting to a total of approximately \$280 million, and the restructuring of the amortization payments to the commercial banks that will fall due in 1984, totaling \$270 million (including the amortization of some \$130 million pertaining to the debt previously renegotiated by the Central Bank and the State Sugar Council in 1983). The bank's financial and exchange position has been strengthened by the resolutions issued by the Monetary Board on 10 May 1984, whereby all commitments, amounting to about \$170.0 million, were transferred to the free market.

"9. To promote the flow of private financial savings and to ensure an efficient allocation of financial resources in view of the progress of a flexible exchange system, the government is intensifying its efforts to bolster the financial system and to increase the flexibility of interest rates. A very important step for this purpose is the decision to heighten the attractiveness of the high-yield financial certificates which had been introduced at the end of 1982. The minimum denomination of these certificates will be reduced to a sum of 1,000 Dominican pesos; the maturity period will be cut to a minimum of 6 months; and there will be authorization for the rate of yield of these certificates to be adjusted above the present limits, when this is warranted by changes in the interest rates in effect abroad, or in the domestic inflation rate and the exchange rate on the free market. Other financial measures and measures involving interest rates are being studied from the standpoint of an evaluation of the financial system that is being made by the Central Bank. The effectiveness and coverage of the interest rate policies will be subjected to an assessment in the context of the period consultations with the IMF on the progress achieved in implementing the program."

2909

CSO: 3248/731

NEW MINISTERS REPORT FINDING CORRUPTION, DISORGANIZATION

Public Works Contractor Fraud

San Salvador EL MUNDO in Spanish 17 Jul 84 p 2

[Text] "The Ministry of Public Works (MOP) has been a failure; the action taken by this State Secretariat could not be viewed with a technical criterion," was the statement made by the minister of that branch, engineer Ramon Ernesto Rodriguez Rivas, who appeared on television heeding the instructions from President Duarte issued to the members of the cabinet to report on the state in which the ministries were received, according to a press bulletin from the Information Secretariat.

Minister Rodriguez Rivas explained that many of the positions in that ministry have been held by unsuitable personnel. Civil engineering posts had been filled by elementary school teachers, holders of bachelor's degrees or accountants; there was a degree-holder as chief of the Maintenance Section, and the computers were being run by untrained people.

The public works minister remarked that, "The disorder was even more evident among administrative and financial sectors, and therefore there had been difficulties in meeting the payroll and strikes." He explained that the necessary transfers were not made on time. He stressed that in the General Directorate of Urban Development and Architecture (DUA) there are only funds to cover payments up until 31 July, and from August to December it will be confronted with a serious situation.

Engineer Rodriguez Rivas went on to say that in the DUA there is a deficit of 17 million colones, which has simultaneously caused the total deficit in the Ministry of Public Works for paying daily wages to rise about 47 million colones.

In reporting on the way in which bidding was being done in the MOP, engineer Rodriguez Rivas said that several highway construction contracts have been halted, because there are no funds for continuing the work. He charged that contracts had been awarded to companies which only signed and collected in their name, but the ones executing the projects were individuals involved in the Ministry of Public Works.



He claimed that bids had been awarded without even opening the envelopes of those participating in the competitive bidding. They have found envelopes the bidding contents of which was not analyzed; they are there with their seals unbroken. The minister emphasized: "It is not fair to play with the bids of the participating companies, which have incurred expenses to engage in that action."

Another anomalous situation in the Ministry of Public Works, for which previous heads are to blame, according to engineer Rodriguez Rivas' statement on television, is that involving fuel. The allocation for the General Directorate of Roads is 449,000 gallons of diesel fuel for 1984, but there is only a 9,000-gallon supply of it for the entire year. He said that there are 5,000 gallons of regular gasoline for the whole year, and that will not be enough.

The head of the ministry noted that the MOP will have to change, and announced: "We shall attach value to the engineering profession again, giving the ministry the technical standing and capacity that are deserved by its problems and the needs of the entire country." The minister added that there is also a National Public Works Plan, based on the real requirements of each area, with priority for social development. Both native and foreign funds will be used for this. Every project that is started will be finished, using technology, and accepting the best bid.

#### Interior Ministry Funds Misused

San Salvador EL MUNDO in Spanish 16 Jul 84 p 2

[Text] The Ministry of Interior is an unfortunate example of how certain government agencies were operating, in disorder, lacking organization and without the proper administrative management. This statement was made by the new head of the ministry, Rodolfo Antonio Castillo Claramount, while appearing on television to give an account of the state in which that secretariat was received.

As everyone knows, there, just as in the other state offices and agencies, an exhaustive investigation is being conducted, under the direction of the presidential commissioner for integrity, Pedro Rene Yanez, to inform the citizenry of all irregular situations, the names of those to blame, the number of embezzlements, etc., and, at the same time, to announce the respective penalties.

Minister Castillo said that not even a single inventory of anything had been received in the Interior Ministry, of vehicles, furnishings or any other appurtenances. He stressed that there was no control, and there never had been any control of anything, nor any internal inspection; which gives an idea that, owing to the poor handling of funds, amounts allocated and budget, there were some acts of corruption. He cited as an example the Directorate of Communal Development (DIDECO), in which there is a deficit of 1.5 million colones. The program is definitely exhausted and unfinanced, as are all the programs in that secretariat; and he disclosed that, for the past 3 years, the pertinent circulating funds have not been paid, whereas the obligation is to pay them year by year.



Among the anomalies discovered, Minister Castillo Claramount cited some purchases of beans to be given to displaced families which, based on regulations agreed upon, must be made in state institutions. For this purpose, he explained, the Institute of Supply Regulation (IRA) had stocks of that legume at a price of 70 colones per quintal. Nevertheless, officials from DIDECO purchased the beans on the common market at a price of 75 colones per quintal, in other words, 5 colones more. The minister asked: What person or persons benefited from that increase? And he announced that the pertinent investigation would disclose the names of those to blame.

In commenting on the case of the ministry's vehicles, he noted that automobiles were bought at a price of 55,000 colones, vehicles which arrived "leaking oil and barely moving." When the respective calculations were made, it turned out that the vehicles had a real value of 25,000 colones; in other words, there was a 35,000-colones difference, which someone put into his pocket.

He said that, in connection with the investigations, the funds for the purchase of food associated with the National Commission for Assistance to the Displaced Population (CONADES) have been frozen, because the contracts have been broken and there has been corrupt behavior. As an example revealing poor management, the minister mentioned amounts and donations made available at the time of the Montebello tragedy in 1982, all of which (he claimed) were handled irregularly, without inspection, with disorder and with violations of the pertinent agreements. He explained that this was why officials of the International Agency for Development (IAD) came to the country from the United States to review the situation.

Another instance cited by the minister, demonstrating the impropriety in the Interior Minister during previous years was that there had been subterfuge in making purchases involving over 25,000 colones, without fulfilling the requirement for competitive bidding. He claimed that this anomaly had occurred in the Directorate of Regional Development, subordinate to the ministry, which is associated with city halls and governors' offices to carry out programs for development in the municipalities. The amount provided in 1983 for subsidies was depleted in 5 months. There is not even any money for a subsidy to any city hall. Also exhausted was a sum from the IAD for 6 million colones, to be used for the construction and repair of streets, water pipes, lighting, sanitation and other projects.

The minister mentioned as one of the most serious problems the one involving public lighting, faced by several city halls, which owe the San Salvador Electric Light Company (CAESS) 782,000 colones, plus interest.

He emphasized that this attests to disorder, poor administration and ineptitude in the municipalities. He cited Cuscatancingo, San Marcos, San Cayetano, Istepeque, Ilopango, San Miguel and Zacatecoluca; the first three comprised of members of the Nationalist Republican Alliance Party (ARENA) and the other of the National Conciliation Party (PCN). The one owing the most is the municipality of San Miguel, with a debt of 262,000 colones. But the most tragic case

is that of Zacatecoluca, as the minister emphasized, where there has been no public lighting for the past 4 months.

As an example of efficiency and good will, Minister Castillo Claramount mentioned the city hall of San Salvador, where there was a large debt for public lighting, but thanks to a proper, sound administration, with a payment plan negotiated with the CAESS, that debt has fortunately been paid. He stressed that the size of the municipalities is not the deciding factor, but rather the administrative propriety and responsibility of the officials, as well as the concern for the community's needs. He said that he would make every possible effort to enable those localities to benefit from public lighting again, and to avoid a repetition of situations such as the one in Zacatecoluca. He disclosed that talks are currently being held with the CAESS.

The minister discussed the problem of mail, which has now been solved; a problem which (he remarked) occurred because there was lack of interest, irresponsibility and lack of respect for the postal employees, since April of this year, when the list of petitions submitted to the Interior Ministry was ignored. For this reason, he noted, the 40-day strike occurred, with such negative results for both the postal workers and the citizens, as well as for families who were deprived of receiving dollars sent from the United States.

#### Former Interior Minister Responds

San Salvador EL MUNDO in Spanish 18 Jul 84 p 1

[Text] Last night, on TV, the former interior minister, Mr Manuel Isidro Lopez Sermeno, answered the charges made against him over the same medium by Rodolfo Antonio Castillo Claramount, vice president of the republic and currently acting as president, who was appointed to the Interior Ministry as part of the Duarte government.

Lopez Sermeno began by saying that he had come to respond to the accusations made by Castillo Claramount out of respect for the people, for his friends and for himself.

In the event that Castillo Claramount did not even find an inventory in the Interior Ministry, Lopez Sermeno told him that it was located in the Finance Central Accounting office, and that he should request it there. He said that there was a copy in the accounting office, and added that this is ignorance or lack of experience, or else he was unwilling to take the trouble to find out what inventories existed.

As for the case of the finances, regarding which Castillo had claimed that there had been neither control nor inspecting, Sermeno described this as demagoguery. "It is like a crate of rotten things that is thrown out to see whom it will hit," he claimed. "We really inspire pity in this country. I have already said that it is the accounting office which inspects. There is also the General Directorate of the Budget, with simple things. I left him a little

blue book in the office; he shouldn't confuse it with the Constitution; it's the Budget Law. A minister cannot be ignorant of that."

With regard to the financial deficit of 1.5 million colones, Lopez Sermeno claimed: "There was an evil intent here. Some consider it to have been theft. And it is not only DIDECO, but rather the entire ministry, that has a deficit. It is the whole government, with a deficit of 600 million colones. They have forgotten how they turned over the government to us. It is like the case of the child: If he emerges ugly, they blame the midwife. There is a lack of ethics. They should get to work, because they have not accomplished anything during the time that they have been in the government. And why not tell the truth to the people? Why put up a green smokescreen? They must be told that we are in financial disfavor, and the IMF can order three things that we shall have to do some day: 1. more taxes, 2. no change in wages, and 3. the budget must be handled without loans from the Central Reserve Bank. The truth must be told, so that we'll know where we are heading." He added: "Let's stop playing politics with public finances."

Insofar as the circulating fund is concerned, Lopez Sermeno responded: "Again, there is either ignorance or malice. A circulating fund is a small amount of cash and it is not paid annually, but rather monthly." He explained that the accounting office is involved in that.

As for the charge of having purchased beans for 75 colones per quintal, when the IRA was selling them for 70, to be given to the displaced persons, and the accusation that international agreements had been broken, in addition to the purchase of vehicles for 55,000 colones apiece, whereas when they were appraised it turned out that their price was 25,000 colones, with a difference from which someone benefited, Lopez Sermeno said that the agreements do not dictate where things have to be bought. "But I congratulate the honorable minister for investigating. I left those probes turned over to the accounting office, because the corrupt individuals must go. Moreover, what the office does is to make notes or observations, and those responsible will have to dispel them or not. Then the controller's office and the penalties come; and therefore, it could be an economic crime, or one involving prison. The vehicles that were purchased were trucks, and that apparently dubious aspect is also being investigated. There is no official who can guarantee the complete integrity of his subordinates, but it is not fair to make charges without proof." Lopez Sermeno reminded Castillo Claramount that, since 1982, there have been from 12 to 15 lawsuits in the controller's office, over money taken from the INPEP [National Institute of Government Employees Pensions]. He remarked: "I'm not saying that it was the Christian Democrats, but someone benefited from it."

Regarding the donation of salt that they sent to CONADES, but purchased for 270,000 colones, which was for other more necessary food, based on the accusations concerning the victims of Montebello, Lopez Sermeno responded: "Now, indeed, a little salt has to be put in the seasoning. There was no such donation. In the accounting office, there are documents attesting to the fact

that the salt was purchased from Indusal, which sold it and can certify it. It did not donate products, and this is no mere mistake; it is a crime. I tell the honorable vice president of the republic that he should not think like a deputy now. The latter are the only ones who do not bear responsibility for what they say, according to the Constitution; and although the state ministers and vice ministers, and the presidents or vice presidents of the republic, have special privileges, the preliminary suit against them is legal. For the present, I shall be tolerant, because the nation does not want us to fight each other; but if this series of acts against the honor of individuals, and my own in this instance, continues, I shall start the pertinent action, through my attorneys, with the Office of the Controller General of the Republic, so that it may proceed according to law. Let Castillo Claramount know that the honor of individuals deserves respect, and not put up screens to conceal the government's poor action in a little over 30 days. Let him stop giving signals, and if he gives them and I happen to go to jail, I won't wait for them to take me. I'll go alone."

With regard to the charge that, in only 5 months, 6 million disappeared from city hall spending, Lopez Sermeno said that this was a lie. "It was non-existent; it is a fantasy. I appeal to the Embassy of the United States to tell the truth about when that money was received. As a citizen, I demand that you tell the truth. I have worked with North American companies for 30 years, and I know that the North Americans hate lies."

#### Recommendations

Almost at the end of his combined speech and response, Lopez Sermeno remarked that he wanted to make a recommendation concerning the example of good municipal government in San Salvador. "As a taxpayer, I ask you not to use the people's money to make propaganda for the Christian Democrats, who have enough money. I want to tell Castillo Claramount that it does not become him to speak well of the San Salvador City Hall. On 5 November 1983, I said that we in the capital had a luxurious municipal government. Would that the central government were half of what that of San Salvador is."

2909

CSO: 3248/734



# GAIRY'S PARTY, GULP, GEARS FOR COMING GENERAL ELECTION

## Squires Appointment

Port-of-Spain TRINIDAD GUARDIAN in English 12 Jul 84 p 5

[Text]

ST. GEORGE'S, Wed., (Cana): FORMER Attorney General, Herbert Squires, will lead Sir Eric Gairy's Grenada United Labour Party (GULP) into general elections expected later this year, party sources said.

The GULP won Grenada's last elections in 1976, but was ousted in March, 1979, by the Opposition New Jewel Movement.

A further coup, last October, brought a military Government to power and provoked a US-led invasion. The non-political interim administration installed after the military intervention has promised a vote by the end of 1984.

The sources said the appointment of Squires, a lawyer, will soon be announced. Sir Eric, the island's last constitutional Prime Minister, has decided not to contest the election.

Meanwhile, posters supporting

two prospective candidates of the GULP have begun appearing.

The candidates are named as Michael Donelan, a leading artist, and Erleen Adams, described as a senior female law enforcement officer.

Posters said Donelan would contest the St. George's South-East Constituency, which was won in the last elections by NJM Prime Minister Maurice Bishop, who was killed during last October's coup.

Adams is listed to run in the Constituency of St. George's South, which was last held by the controversial Gairy.

Party sources said two former parliamentarians — Oliver Raeburn and Oswald Forsyth, along with newcomers Edel Thomas, former Labour Commissioner Frankly Philbert, and Dr. Denis Radix, have already been approved by the GULP.

## Candidates for Parliament

Port-of-Spain TRINIDAD GUARDIAN in English 14 Jul 84 p 5

[Text]

ST. GEORGE'S Fri., (AP): FORMER Prime Minister Sir Eric Gairy, who dominated Grenada politics for three decades, until his overthrow in a 1979 coup, has launched his Grenada United Labour Party's (GULP) campaign for the upcoming elections.

The party announced candidates yesterday for two of the 15 parliamentary seats to be contested in elections expected before the end of the year, the first here since 1967. But there was further indication that, as Gairy promised in January, he will not run himself.

One of the candidates, Erleen Adams, is running in the St. George's South Constituency, represented by Gairy until he was driven into exile by slain Prime Minister Maurice Bishop's New Jewel Movement (NJM).

The other candidate announced is Michael Donelan, described as an artist and journalist, with a Bachelor's Degree in commerce. He is running in the St. George's South-east district.

Followers of Bishop, meanwhile organised in the Maurice Bishop Patriotic Movement, announced in ear-



ly June that they expected to field candidates in all 15 districts. The party plans to campaign on a leftist programme similar to Bishop's and make the U.S. military presence here a major campaign issue.

And two weeks ago, talks aimed at forging a moderate united front for the elections resumed among three other political parties. The Grenada National Party (GNP), the traditional Opposition here before Bishop, was holding discussions with the National Democratic Party (NDP) and the Grenada Democratic Movement (GDM), a group formed among exiles in 1983. The latter two have already formed an alliance under the name Team for National Unity.

U.S. officials have tried to encourage formation of a coalition of middle-of-the-road parties for the elections, the first here since 1976.

CSO: 3298/989

RETURN OF NORMAL ELECTRIC POWER SOON PREDICTED

Port-of-Spain TRINIDAD GUARDIAN in English 12 Jul 84 p 5

[Text]

ST. GEORGE'S, Wed; (AP)

**ELECTRIC POWER** production on Grenada may be returned to normal by the end of the month, a Government utility official has said. Grenadians can expect frequent power outages until the problem can be resolved.

Winston Bullen, Manager of Grenada Electricity Services (GES), said an engineer was being called in to repair two rented generators, and that the utility was buying two new ones to be financed through the British Government.

"If the four generators can be placed into service by the end of the month, peak load requirements can be met", Bullen said. He added: "We hope the first of the two new generators will be commissioned by next Monday, and that the second will be in operation before the end of July".

"The new generators, each with a rating of 1.8 megawatts, will take care of three quarters of our peak load", the official said.

Bullen said the two rented generators, each producing 1.5 megawatts of power, had been in service since December, but now required service.

The engineer was called in to repair those two generators.

At the moment, the Government utility can supply only about one-third of the power required for peak periods.

Only two of the utility's nine generators were now in working order, the reason for the problem, the official said. Bullen said those two generators produced "only 1.6 megawatts of the 4.6 megawatts of power we require at peak periods".

One of the seven other generators needs a new crankshaft, another needs turbochargers, and a third has to be completely replaced.

CSO: 3298/989

## SFAULDING RAPS CHARGE TROOPS IN GRENADA WERE PAID BY U.S.

Kingston THE DAILY GLEANER in English 18 Jul 84 p 9

[Article by Balford Henry in the "Press Box" column]

[Excerpt] Minister of National Security and Justice, the Hon. Winston Spaulding, was in a fiery mood last week Tuesday as he dealt with the claim made some months ago by the PNP that Jamaican soldiers in the Grenada were being paid by the U.S.

Mr. Spaulding roared that it was regrettable that such "a wonderful national effort in such a noble cause" had been treated in such a way.

He said: "Although there was no political unanimity because of the ideological differences in the region, because of the ideological differences in the country, because some people look to Russia and Cuba and irrespective of what happens they cannot support principled behaviour because it may contradict their political line, (it was felt) at least that the political differences would stop there.

"But the PNP at their so-called forum have made the statement, a false statement without any basis which could easily have been checked, stating that the JDF soldiers were being provided through the Government of Jamaica by the Americans with an allowance of United States dollars, and that the Government of Jamaica was taking out a part of it and only giving a small portion to the Jamaican soldiers.

"That, Mr. Speaker, was an outright lie and a piece of mischievous dirty propaganda," Mr Spaulding said.

He said that after the statement was made and was prominently reported, his Ministry and the JIS issued releases denying it, but some sections of the media chose not to publish it. As a result some soldiers still believed and were scribbling graffiti supporting that view.

"Mr. Speaker, I am just asking all these shadow spokesmen to become substantial figures and behave in a responsible manner. If not they will remain shadows and will never become Ministers."

"We do not take important, serious and sensitive national areas like that, and because of your ideological position, you come out and tell lies. Because the easiest thing is to take up the phone call the Chief of Staff, call the Permanent Secretary in the Ministry, call me and see if you can get the facts."

CSO: 3298/1038

## GOVERNMENT LAUNCHES PROGRAM TO MONITOR FOOD PRICES

Kingston THE DAILY GLEANER in English 19 Jul 84 pp 1, 3

[Text] A major move to monitor basic consumer foods prices both in the Corporate Area and most rural parishes was launched yesterday by the Ministry of Industry and Commerce.

The programme, run by the Consumer Affairs Division of the Ministry, covers some 20 items in seven parishes. A survey of prices, published elsewhere in today's Gleaner, deals with items such as bread, counter flour, corn meal, sugar, tinned corned beef, eggs, condensed milk and toilet paper.

An additional survey will be carried out in the parishes of St. Thomas, Portland and St. Mary in the next three weeks.

The programme was launched both by the Minister of Industry and Commerce, the Hon. Douglas Vaz, and the Minister of State in the Ministry, the Hon. Karl Samuda, at the Ministry's Winchester Road offices yesterday.

The surveys will be carried out on a weekly basis in the targetted areas and published at the same regularity with up-to-date information contained therein not more than two days old; while on television, it will be broadcast three evenings, per week and on radio three times throughout the day. The intention is to cover the entire island every three weeks.

Mr. Samuda, who has responsibility for Consumer Affairs among other subject matters, told reporters at the launching that the parishes that had been surveyed were eight outlets in Kingston and St. Andrew; while 32 outlets were done in St. Catherine, Manchester, Clarendon, St. James and Hanover.

"The surveys are going to be taken in the supermarkets and not in the small rural shops," he said, because there were certain problems that affected that kind of survey since the supermarkets served the vast majority of people especially in the urban areas where the items were easily accessible.

Mr. Samuda said that the surveys were conducted by the Prices Commission in the major supermarket chains in the Corporate Area and large shops and supermarkets in the rural areas. He added that the responsibility for development of the programme was with the Consumers' Affairs Department of the Ministry.



The basic commodities would be dealt with first while drugs, other pharmaceutical products, hardware goods and auto parts would be focussed on at a later date, Mr. Samuda said, as these were the four areas of "grave concern."

The survey would carry out two main functions, he said, and these were to give a comparison between prices as they were sold in the respective outlets and to tell where stocks were available.

As a result of the survey, Mr. Samuda noted that the Ministry had had meetings with the distributors in which the Ministry had expressed "grave concern" about the availability of food in the deep rural areas and they had undertaken to assess the marketing system and the extent to which they were satisfying the demands and report on their findings. Based on this report, it was hoped that the distribution system would be improved in the country.

The items listed would not be fixed but would fluctuate within the consumer commodity group and in another three weeks in the Corporate Area another set of supermarkets would be surveyed.

"In instances where the supermarkets feel that the price reflected is higher than the price that they had been able to offer, they are asked to communicate with the Ministry's hotline--90123--to advise as to the price they are offering the goods for," he said.

Also speaking at the press conference, Mr. Vaz said that the consumers did not know what to pay and in rural areas where the newspaper was not prevalent, the electronic media was asked to help out.

Prices had been monitored between Constant Spring to downtown Kingston Mall where there were differences between prices. For instance, in Downtown Kingston eggs were being sold for \$3.15 to \$3.40 per dozen; on Windward Road, \$4.50 and on Mannings Hill Road, \$3.85.

Mr. Vaz said that islandwide districts within parishes would be examined to make sure that the system of distribution was the best available in the circumstances.

The information containing the prices obtaining in the supermarkets will be posted at police stations, health centres, and leaflets and posters which are to be distributed by the Jamaica Information Service and Members of Parliament.

Distributors had been requested that when they advertised, they should include suggested retail prices in their ads. Mr. Vaz said the Prices Commission set the prices at a maximum and everybody stayed at a high without attempting to maintain some flexibility.

He told reporters that the Prices Commission would be out there to tell the people what was happening and with "their hands on pen" writing notices of prosecution. Mr. Vaz said he was insisting that prices be stamped on every item and he was asking the consumers not to purchase items which were not stamped with the right prices.

He also appealed to the media to afford as much opportunity to assist in the consumer education programme.

Speaking on the role of the Jamaica Commodity Trading Company which, he said, certain persons had been enquiring about, Mr. Vaz noted that the importation of corned beef, chicken necks and backs, and mackerel would now be turned over to the private sector.

The JCTC would ensure that the goods it traded were in adequate supply and they would also ensure that the supplies of the private sector were also on target. He said that the Company's role would be that of a Central Bank which intervened to protect the currency of a country at any given time.

The Minister said that he knew there was an interruption in basic foods supplies which had been the "worst in the last three and a half years"; however, he explained that most of this was due in part to funding and unforeseen circumstances such as vessels not arriving on time, and strikes.

Though the JCTC did not have the "back-up" of stocks, thanks were due to the Company for their managing the hiccups which had resulted in an improvement in the situation. Rice would be available in a matter of days in spite of a one-day setback from the target date announced. He pointed out that there was no rice on the market as had been believed by many who thought that the product was being hoarded.

The little rice that was seen on the market was either due to illicit importation, which could not be easily monitored, or production at Brumdec where purchasers were actually sleeping overnight for their portion of the produce.

Flour would also be back to normal as with wheat now being produced for baking and counter flour, some improvement in supply would be seen by the end of July.

Mr. Vaz said in response to a question that a series of seminars would be held with distributors to discuss how they could fix prices in terms of transportation cost for it was pointed out that the price of egg sold in Montego Bay at \$5.50/\$6.00 per dozen could be as a result of transportation cost.

CSO: 3298/1038

## BRIEFS

**SUSPECTED POLITICAL ARSON**--Fire suspected to be deliberately started by political activists did severe damage to a large nine-apartment wooden building housing the West Portland PNP Constituency Office on First Avenue in Buff Bay, during the early morning of Friday July 6. According to reports to this correspondent, a resident who lives close to the building heard a vehicle approach the constituency office some time after 2:00 a.m. Several stones were said to be hurled at the building and the vehicle then sped away. An explosion was heard soon after and the building discovered to be on fire. The Buff Bay Fire Brigade was immediately summoned, Speedy action by the firemen, under the command of Cpl. Danny Mercurious, succeed in bringing the blaze under control but not before the rooms were seriously damaged. The firemen were highly praised by citizens for their efforts in preventing the building from being totally destroyed. It is not known if the building owned by Mr. Neville Dixon was insured. Damage is estimated to be in the region of \$150,000. Several items of furniture, including chairs and tables belonging to the constituency office were destroyed in the blaze. [Text] [Kingston THE DAILY GLEANER in English 17 Jul 84 p 4]

**GASOLINE SUPPLY**--Reports sweeping the island that gasoline supplies will soon run out, which caused a rush on service stations yesterday, are not true, managing director of the Petroleum Corporation of Jamaica (PCJ), Mr. Bill Saunders, said yesterday. He told the Gleaner that a shipment of 100,000 barrels or 3.5 million gallons of gasoline and diesel oil, had come in between Tuesday night or early Wednesday, which could last four to five days, and had been pumped into Petrojam's storage tanks. This was a bridging measure, until Petrojam's refinery, which still had reserves, got going. About midnight last night, over three times that quantity of 350,000 barrels, of Venezuelan crude oil was expected in, for immediate processing. Another shipment of crude was expected in a few days time, he said. Asked about the rush on service stations, Mr. Saunders said on Tuesday there was a breakdown at the loading rack at the refinery in Kingston where tankers take on supplies. The following day, Wednesday, when traditionally supplies are not given out, as an energy conservation measure, it did not open. Yesterday morning however, everything was back to normal, Mr. Saunders said. He attributed the reports of a gas shortage to some service stations having only one or two days' supply, and running short because of the rack situation. PCJ is the statutory body responsible for the petroleum sector and answerable to the Minister of Energy, and Mr. Saunders said supplies had been consistent. He said the only thing not normal about the gas and diesel oil situation, was "there is a national problem: people don't seem to understand as far as foreign exchange is concerned. And, until people start to say we are part of the problem, let us restrain our appetite for gas and diesel oil, until we can overcome the problems facing us, there will be a problem." [Text] [Kingston THE DAILY GLEANER in English 20 Jul 84 p 1]

CLANDESTINE MILITARY CAMPS--KINGSTON, Fri. (AP)--POLICE said today that they had destroyed three clandestine military-training camps in the Wareika Hills, in the eastern outskirts of Kingston. A police spokesman said at least one person was believed to have been wounded in a shootout with authorities during the pre-dawn raids on Tuesday. The spokesman said the occupants of the strategically-located camps were armed with M-16 assault rifles. He said the camps were guarded by sentries, who warned the occupants of the approach of the police. According to the police spokesman, authorities found cannisters similar to the tear-gas cannisters used by police, binoculars, military uniforms and helmets, and combat training manuals inside the camps. The spokesman said supplies of food and water, makeshift beds and what he termed revolutionary literature was also found inside the three camps. Police gave no further details of the raids. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 14 Jul 84 p 5]

RADAR CONTRACT--KINGSTON, Fri; (Cana)--THE Jamaica Government has awarded a \$10 million contract to Thomson CSF, a French firm, for the provision of radar equipment to the Civil Aviation Department, the state-run Jamaica Information Service said. The agreement was signed Wednesday by Transport and Public Utilities Minister, Parnell Charles, and Francois Delore, a representative of Thomson CSF. The contract covers the supply, delivery, installation, and commissioning of a long-range primary and secondary surveillance radar system, as well as the onsite training of Jamaicans, who will maintain the system. It falls under a line of credit signed last year between the Governments of Jamaica and France. The radar system will comprise modern state-of-the-art equipment which the government says exceed all the specifications of the International Civil Aviation Organisation (ICAO) and the operational requirements specified by a team of Scandinavian aviation consultants in 1982. This includes the requirement for the primary radar to see a three square metre target out to a range of 150 nautical miles and to a height of 23,000 feet. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 7 Jul 84 p 5]

CSO: 3298/993



OPPOSITION PARTY LEADERS DISCUSS CONCERNS FOR 1985 VOTING

Madero Urges 'Knock-Out'

Monterrey EL NORTE in Spanish 4 Jul 84 p 3-A

[Article by Cosme Haces]

[Text] Mexico City, 3 July—The country is faced with choosing between democracy and violence, National Action Party (PAN) National President Pablo Emilio Madero stated serenely.

"By engaging in electoral fraud that precludes any possibility of peaceful change, the government has exposed itself to a period of violence during which official bludgeons will be powerless against the entire nation.

"In the 1985 elections, the victory of the opposition has to be by 'knock-out,' through a high turn-out of enthusiastic voters so that there can be no doubt about the outcome," he states.

The people know that the crisis was brought about by those who ran the country, and they want change, he asserts.

He points out that the traditional method of the Institutional Revolutionary Party (PRI), the party machinery, no longer works; if the system really wants to become stronger, it will have to learn to lose.

"The official party is a child of 55 that has never had to fight," he says, "it has only the efficacy derived from its power, and now it is time it put its life on the line."

Madero, who was born in San Pedro de las Colonias, Coahuila and has lived for many years in Monterrey, became president of PAN in March of this year. Since then he has devoted all his time to party activities after retiring from the business where he had worked in Nuevo Leon.

This interview took place in the party offices, which opened just a few months ago. He spoke at length, showing documents and discussing the country's situation and the prospects for the federal elections next year.



The people are overwhelmed by the problems resulting from a crisis they did not cause, he says. It is the people who are paying the price and suffering the consequence of the negligence of others; this has irritated them a great deal.

The fraudulent acts committed in the 1983 elections at various locations in the country, specifically, dashed the citizens' hopes for change.

The system derives its strength from the abstention of the citizenry, and one of the objectives of fraud is to discourage the citizen from exercising his right to vote, he points out.

The effect, though, is the opposite: When the fraud is crude and practiced without discretion, as has been the case, it has a negative impact on the system because it arouses the indignation and anger of the citizens, and strengthens this kind of opposition.

"The vote is the people's form of protest. Not respecting that right only weakens the power of those who are constantly practicing fraud and exhibiting their deficiencies, not only in terms of the elections but in all other spheres of activity."

In Madero's view, at the bottom of all Mexico's problems lies the political problem.

"We cannot dissociate the economic crisis from the political problem, the crisis of confidence from the political problem, the crisis of credibility from the political problem, the crisis of corruption or honesty from the political problem," he asserts.

The PAN leader notes that there was a ray of hope when the government recognized victories by the opposition in the first elections of 1983.

That was very positive, he explains, because amid the economic crisis and the crisis of confidence, there were statistics that provided hope of a democratic liberalization.

Nevertheless, whether because of the outcry that they feared losing ground, that they felt their hegemony was threatened, or because of the clamor of the official party leaders who have made a "modus vivendi" of leading that electoral arm of the system which is not a political party, the fact is that the federal government took a step backwards from that liberalization. It would have been the most important factor in strengthening the regime during a moment of weakness, but then the democratic debacle began, Madero indicates.

Madero challenges the PRI to let go of the apron strings of "Mother Government" and lay its future on the line in the elections without trucking peasants to the polls, without using public treasury funds, without threatening peasants that they will lose their land, without threatening workers with an exclusion clause.

He states that the PRI members have lost their political sensibility, because they have always been able to elude punishment for their errors at the polls.

Madero responds to criticism of him by other parties, and explains that National Action will not defend the interests of capitalism.

"Capitalism as a thesis of egotism, Manchester capitalism, is for us just as unfair as Marxism in its blows to mankind," he explains. "The latter levels blows through collectivism, while the former does so with individualistic egotism."

The PAN leader states that the party will not defend the interests of capitalism, but rather the common good; it will defend Mexicans, especially those who have the least.

The PAN profile represents the people of Mexico, he asserts. The vast majority of its members are people of meager resources, because that is what the people of Mexico are like.

"We do not refuse membership in National Action," he explains, "to anyone who may have been a businessman at a given time. We open our arms to all people of good faith who come to the party, as long as they agree to two basic conditions: that they be willing to fight and that they accept our doctrine."

He points out that National Action was the first political party to put the national flag in a place of honor and to sing the national anthem since it was founded on 16 September 1939.

"National Action," Madero goes on, "has been a truly democratic and national party; it has shared Mexico's interests and has struggled to install in Mexico a government which has room for all Mexicans, where there is no longer any distinction according to class or physical features, but an effort is made to achieve the common good."

In today's Mexico, in many ways we have lost our ability to be outraged because of the magnitude of human rights violations against Mexicans, he says.

"To a great extent we have lost our capacity for indignation, and we must win it back."

He emphasizes, however, that National Action does not believe in violence as a solution.

"We should channel the great concern that exists in Mexico, the pain of the people who are undergoing a crisis that could have been prevented but is demanding the payment of the blood and sweat of the Mexican people because of ineptitude and corruption, toward the organization of the citizenry, so that the system will be forced to respect the people's will," he adds.

Pablo Emilio Madero, who is the nephew of the father of the Mexican Revolution, Francisco I. Madero, explains that with a view to the elections of

1985, PAN will organize a campaign for electoral training throughout the country and at all levels.

The party is able to accept all people who want to channel their political concern through PAN, he says.

In the upcoming elections, he explains, there will be a vigorous effort to defend the right to vote.

"If there is electoral fraud, the people will exercise the legitimate defense of their rights which have been infringed upon," he declares.

#### PDM President Expresses Optimism

Monterrey EL NORTE in Spanish 5 Jul 84 p 3-A

[Article by Cosme Haces]

[Text] Mexico City, 4 July—Mexico's political problem, in the view of the Mexican Democratic Party (PDM), is that there are no free elections.

"There are no free elections in this country, and for that reason we cannot have the government we need. What we have is an electoral monopoly held by the government through an instrument we all know well, PRI. That is the truth of the matter," declares Ignacio Gonzalez Gollaz, president of the Mexican Democratic Party.

Gonzalez Gollaz is even more emphatic when he explains the attitude his party will take in the upcoming elections.

"Wherever we lose, we will simply acknowledge our defeat," he says, "but wherever we win, wherever we are convinced that we have been victorious, you can bet that our candidate will be put in office, no matter what price we have to pay."

What kind of price do you mean?

"Whatever is necessary, including life," he says.

The PDM has a right to it, it won that seat, and no one will take it away from the party. By the same token, it will be honest in admitting defeat if it loses, he goes on to say.

"We will be brave enough to defend what we win because these are votes cast for a candidate, and everyone has to respect us, beginning with the one most obligated to show such respect, the government. That is why we declare from the beginning of these 3 years: No matter what the cost, the democratic vote will be respected."

Gonzalez Gollaz, president of the PDM since last 19 May, was born in Amatitan, Jalisco, in the tequila region. He has lived for many years in San Luis Potosi.

There he owns a food company that is now being run by his family, because he has gone to live in the nation's capital so that he can devote full time to party affairs.

The interview with Gonzalez Gollaz took place in the party offices, near the Monument to the Revolution in this city.

He discusses the situation Mexico is undergoing, and PDM's plans for the future, especially with respect to the federal elections of 1985.

"I will tell you what our objective is: to make the PDM in 1985 the undisputable third electoral force in the country," he states.

"I say 'undisputable' because we think that in fact we already are, but there is another party with the same claim, the Unified Socialist Party of Mexico (PSUM). In the last elections the government tried to credit that party with a lot of votes and thus give it a political position it does not have," explains Gonzalez Gollaz.

But in the 1985 election, he goes on, the PDM expects to garner more votes and a better political position to prove that it is in fact the "indisputable third force."

This does not mean that it will go on the offensive against the PSUM, he cautions.

"We do not go on the offensive against anyone in particular, but against everyone in general; all parties are our natural adversaries because we all want the same thing: to win power," he indicates.

For the PDM leader, what his party needs to attain its goal is growth. There are territories where it is weak now, he says, such as the southeast and the north of the republic, specifically.

An intensive organizational and publicity effort has been going on in the party to form groups and bring voters to the elections, he says.

Gonzalez Gollaz asserts that most of the party's members are from rural backgrounds.

"For that reason," he adds, "we will have to work intensively in the cities to win over a class that is very important to us: the middle class, which lives in the cities and has been excluded politically."

As for the rural sector, he explains that although PRI controls the rural areas in terms of the ejidos, credit and everything related to that, it does not control people's will.

"And what we want to do is strengthen the feeling of liberty that all Mexicans have. No one can compromise his freedom for anything; not for credit, not for a shipment of fertilizer, not for the marketing of his crops."



Nevertheless, Gonzalez Gollaz claims that his party will not seek any alliance with any other party for the 1985 elections.

The PDM believes that alliances are not good for the party or for the country. They are not good for the party because it is a new party, he says.

"We need for the people to get to know us for what we are, our ideology, our platform, our candidates, even our method of operation," he adds, "and a coalition or alliance would prevent that, because no one would know which was which."

Coalitions are not good for the country, either, because they limit the citizen's options.

The first step in the Political Reform was just that: providing more options to Mexicans. It was felt that the parties that existed before that first step had already been outgrown by the population.

The political dimension was already feeling too small, he says, and more alternatives were needed. If the alliances come back, we will revert to what we had before.

Gonzalez Gollaz rejects a two-party system.

"A dual-party system would not be the best. Before the Political Reform there was a two-party system, because the other two parties, the Authentic Party of the Mexican Revolution (PARM) and the Popular Socialist Party (PPS) were also PRI, and it was apparent that that system did not work."

In the view of the president of the PDM, abstentionism is a serious danger, and he fears that this phenomenon will increase.

"We will be focusing our efforts on the 21 million abstentionists. But we see the risk that that 21 million figure will rise, because on the one hand the system seems to be unwilling to recognize the electoral victories of parties other than its own, and on the other hand, there are parties that discourage the voter when they talk beforehand of fraud and manipulation; they make the citizen think, 'Why should I vote if everything is already lost?'"

"That is the result of the official party having too much power and winning everything; people wonder, 'Why vote when we already know who will win? Or why vote when I already know that there will be fraud?'"

"In this regard," says the president of the PDM, "we do want to take a stand and tell those who abstain from voting that they must fulfill their political duty and exercise their right to vote, because the mere fact of abstaining means losing."

The PDM does not tell people to guard their vote because telling them to guard their vote already prejudices them; then the abstentionist would say, "No, well, I will have an additional problem because, besides having to go vote, I will have to defend my vote."



Gonzalez Gollaz insists that the PDM will stress that democracy must be made a reality in Mexico, and that the government must be elected precisely by the votes cast in the ballot box.

It will also stress that the government should not serve one party, but should work for the good of all.

It is assumed that a government will pay the only political price that should be paid in an election: respecting the vote, he says.

The president of the PDM emphasizes, however, that it is important for his party to make people see how much their votes count, and to defend them to the death if necessary.

"I think that when a citizen wants to do his duty and exercise his rights, and his rights are trampled and he is prevented from fulfilling his duty," he says, "then life becomes meaningless."

It is better to die defending that which for him has high value.

"I certainly don't think it will come to that," says Gonzalez Gollaz.

#### Two-Party Scheme Rejected

Monterrey EL NORTE in Spanish 6 Jul 84 p 12-A

[Article by Cosme Haces]

[Text] Mexico City, 5 July—The Unified Socialist Party of Mexico (PSUM) has made an anguished appeal to the left to stop the installation of a dual-party system in Mexico, in view of the federal elections of 1985.

PSUM Secretary General Pablo Gomez fears that the fragmentation of the left will lead to the establishment of a system similar to that of the United States, in which PRI and PAN would determine the fate of the country.

"The representatives of those who control the money, the delegates of capital, would be the only ones to take action and intervene decisively," he states, "while the forces of democracy and socialism would be excluded from any possibility of making political decisions."

The dispersal of the left has made it easier for the government and oligarchic groups to impose their economic policy and path to development almost without opposition, and this has resulted in the worst crisis in the country's history, he points out.

Gomez spoke these words at PSUM headquarters, where a large red flag with the hammer and sickle in the middle adorn one wall.

The interview took place after the party leader had released to the press a PSUM call for action, addressed to the left as a whole.

"Today, especially in view of the elections coming up in 1985, the PSUM appeals to the democratic parties, groups, factions and organizations of the left, to all progressive men and women, to join together in a common action from today on, so that we can seek and establish the most diverse forms of unity as we prepare for and carry out the federal elections of 1985.

"Our party is convinced that it is necessary and possible to cut off the advancement of the extreme right," he says. "We are certain that Mexican democracy will be able to respond to the threat of a two-party system."

The PSUM asserts that these elections may play a decisive role in the defense of democracy by defeating the refusal to participate, abstentionism, and may represent progress toward a better era in Mexican political life.

This will only happen if the left and the forces of democracy are able to respond in unison to the historic challenge that the country faces, he contends.

Specifically, the PSUM expresses its willingness to discuss and uphold a unified platform of popular and democratic demands, the fruit of a consensus among the various organizations and political forces of the left.

The PSUM will make an effort to build electoral alliances with forces and factions, with unregistered political parties, to run common candidates for deputy seats on a platform of unity and national political consensus.

It also proposes that the registered parties of the left run common candidates for federal deputy seats by forming district coalitions in which a national political pact can be achieved.

The PSUM asserts its willingness to discuss with democratic parties and forces the most diverse forms of unification for participation in the elections.

Partisan differences, it claims, should not obstruct the achievement of agreements, the formulation of common positions, and wherever possible, the running of joint candidates.

Gomez explains that the unification of the left should not be aimed at simply stopping the advance of the right, but at forcing the government to negotiate.

"We have already forced it to negotiate with the working sector, through democratic labor unions; but it does not negotiate with the peasants or the popular forces," he says. "There is no policy of negotiated consensus; policy is simply imposed by the government."

Gomez acknowledges that even within the PSUM, there are problems coordinating the various factions, but he indicates that the party's internal divisions have never been an obstacle for the development of joint efforts with other forces of the left.

The idea persists that the left, the socialist parties, should be completely monolithic.

"The theme we have pursued is completely contrary to that: We are a democratic group, not a religious sect or a mafia," he explains.

"Sure, we have to make some adjustments in our positions, but those adjustments must be made slowly, because everything that is democratic takes time."

The opinions of comrades, of the members of the party, must be polled. There must be a dialog, a discussion. Problems and differences cannot be solved over night, he explains.

Gomez responds to accusations by other parties that the PSUM has retreated from Marxist-Leninist concepts in its ideology.

"We are not a Marxist party, but we are a party of Marxists."

The PSUM, in drawing up a plan for unifying the Mexican left, had to begin by recognizing that socialism is diverse, and that all currents of thought could be expressed in a single party.

So it is not a party that bars non-Marxist-Leninists from joining. Nor is it a party that contends Marxist-Leninists do not belong in it.

"We are an open party that does not discriminate against the various factions that have arisen in socialism," he says. "Some think this is impossible; we feel it is possible."

"In practice, as experience has shown in Mexico and Latin America, this issue will be resolved by the major socialist organizations that are powerful and democratic. That is the struggle we are waging," he comments.

To defend the vote, says Gomez, the PSUM has not had to form an alliance with PAN.

"If we defend the vote, we are not defending PAN," he claims.

"If the electorate votes in favor of PAN, that worries us; we would rather not have it that way, but we must recognize that the vote belongs to the citizen and we must respect it, no matter what. That is the democratic position; any other position is a sham aimed at denying the citizen's right to vote, and that is what happens when there is electoral fraud," says the party leader.

He feels that the registration of the PRM [expansion unknown] is a ruse by the government to allow the system to regain the majority of votes on the Federal Electoral Commission.

In the view of the PSUM leader, the creation of political fictions, of parties made to order for the government, is not democratic, and does not contribute anything to democracy.

The fact that the government regains its automatic majority on the Federal Electoral Commission seems a step backwards, a real regression in politics, in his opinion.

"We should struggle to prevent the government from determining the organization of the 1985 elections itself, at its own discretion, without negotiating with the parties," he states.

Specifically, with regard to the 1985 elections, Gomez points out that a campaign will be waged in which party members will act in concert with hundreds and thousands of citizens without party affiliation.

"The PSUM will promote the formation of flexible electoral organizations capable of joining together our members with people who are participating in elections for the first time.

"Labor union, peasant and popular leaders who have emerged from the masses and agree to be our candidates shall work alongside fighters who have party experience," he asserts.

The electoral organizations should serve as a channel for the organization of social dissidents in all electoral districts and sections, based on a popular democratic platform.

The PSUM's unification plan has not failed. If the PSUM did not exist, there would be twice as much fragmentation in the left.

#### Cruickshank Urges 'Common Front'

Monterrey EL NORTE in Spanish 7 Jul 84 p 12-A

[Article by Cosme Haces]

[Text] Mexico City, 6 July—According to the Popular Socialist Party (PPS), only if the parties form a common front for the federal elections of 1985, to oppose American imperialism, its local agents, the reactionary bourgeoisie and the major conservative interests, will Mexico be able to overcome the dangers it faces.

"We feel that only a common front will help the country move forward," explains PPS Secretary General Jorge Cruickshank Garcia.

"In that front would participate all the forces that support national independence, social progress in Mexico, raising the people's standard of living, and the international policy that our country has traditionally pursued, with a sovereign and independent attitude."

Cruickshank feels that the parties of the left or just one leftist party alone cannot be successful and cannot be strong enough to deal with the country's current plight.

Cruickshank, now a federal deputy and the national leader of the PPS, was interviewed at his party's offices. The leader's office is dominated by an enormous photograph of Vicente Lombardo Tolenado, founder of the party.

Cruickshank is concerned above all by the progress of the right, and he spends much of the interview analyzing this phenomenon.

The right as a whole is working actively, feverishly, with a lot of resources, to try to win national political power, he says.

"When we speak of the right," he explains, "we are not talking about the National Action Party (PAN) or the Mexican Democratic Party (PDM); we are talking about the reactionary bourgeoisie, the Catholic Church, the land-owners, and certainly the American imperialist 'manager,' who manipulates all these forces and uses the National Action Party as a tool of electoral policy.

"Certainly it has the synarchists right behind it, and it is putting all its eggs in one basket," he says.

PAN is receiving all the resources it needs, and is working very actively, he points out.

"Look, here we have all of its literary efforts." Cruickshank shows a collection of PAN pamphlets and books.

They are up in arms, he goes on, demanding the reform of Article 27. They are supposedly organizing to win the elections of 1985; they are asking for the reform of Article 3 of the Constitution, which is also a demand of the Church; and there is an entire campaign within the right to win, they claim, a majority in the Chamber of Deputies.

PAN, according to the PPS leader, does not have a great organizational ability; it does not have a party structure and is not a well-conceived (that is, national) party. But it does have the advantage of the Church's backing, as well as that of confessional groups such as Opus Dei, students, and intermediate Catholic associations, which are many and growing.

"We know that the ecclesiastical hierarchy is linked to the rich; it has always served the rich, not the poor," he adds.

"They will not drink chocolate with a bricklayer or a peasant; they drink chocolate with those who have the money, the economic power, and now they are trying to channel dissidence demagogically, turning the struggle against the government and making the latter look like the only one responsible for the problems and the serious plight faced by the people."

But Cruickshank also assails the parties of the left.

There are two other leftist parties, the PSUM and the Socialist Workers Party (PST), and another registered party that claims to be on the left but is actually on the right; it is Trotskyite, he explains.



"They have never been revolutionary; Trotskyism is a tool that is used to divide the revolutionary movement and that takes on ultraleftist positions to play up to the bourgeoisie and the imperialists and serve their interests," he says. "That is the Revolutionary Workers Party (PRT)."

But there are several others, he continues. There are about 10 that are now asking to be registered as parties or political associations. There is even one group called the "Bolshevik Vanguard."

They take bombastic names to give the impression that they are leftist, but they have nothing to do with the left, he asserts.

He singles out the PSUM for criticism because it has hidden its Marxist position.

"They no longer state in their declaration of principles that they are a Marxist party; they are against the dictatorship of the proletariat and democratic centralism, which are Leninist practices of a working class party. They are against proletarian internationalism," he says.

He also scores them for having joined the Eurocommunist current, which is anti-communist, anti-Soviet, a deviation from the Marxist parties in order to collaborate with the national bourgeoisies of each of those countries.

He adds that the PSUM has a lot of internal disagreement over ideological problems, matters of principle and programs, as well as international issues. He indicates that it has reached absurd positions such as an alliance with PAN and the synarchists.

"They claim it is to defend the vote," he says, "but to defend the vote of the right?"

Cruickshank explains that although throughout history there have been attempts at unification between the Communist Party and the PPS, they never bore fruit.

"Many years ago, Master Lombardo said it was necessary for us to form a single party with the Communist Party (PC) and the Peasant Worker Party. We had a lot of discussions, we made the necessary decisions, and when the act was about to take place, he shunted the Communist Party aside," he relates.

"Afterwards, when unity was about to be achieved within what is now known as the PSUM, the day before there was a meeting of the members of the liaison committee between the PPS and the PC to discuss a series of issues related to the national elections of 1982.

"Then all of a sudden they say to us: 'We're not going to talk anymore, because something new has come up and you will have to hold talks with the leaders of the new organization that emerges,'" he states.

Suddenly Heberto Castillo got them going. They called a press conference and announced that there would be a unification of the left with the Mexican

Workers Party (PMT), the Communist Party and two or three groups that had been expelled from his own party, according to Cruickshank.

It became apparent that this effort would fail, because they knew how Castillo was. Sure enough, Castillo left them in the lurch, and the Communist Party had to go on with the other small groups, including some semi-Trotskyites.

"We are Marxists; we feel that our ideology is more clearly defined than that of the Communist Party. We have not hidden our Marxism.

"We adhere to the Marxist-Leninist philosophy, and thus we have a very concrete strategy, very appropriate for the national struggle: that of the Patriotic Democratic Front," he asserts.

Cruickshank denies, however, that there is any understanding between the PPS and PRI.

"That is a false accusation; we have never had any policy of alliance with PRI. What we have had is an alliance with the best people of PRI, the elements of the working class, the peasant masses, the progressive interlocutors who have taken a stand in PRI of patriotic, democratic and popular progressivism."

With regard to his own party, the PPS leader says that it is not yet happy with what it has achieved. It considers itself still a weak party, with deficiencies that must be corrected. It is trying to be better from all points of view: better organized, more capable.

"We have national, regional and state cadre schools to provide political training on all levels," he adds. "We are carrying out political activities in every entity of the republic to see how the party is doing."

The party's struggle is an entire process that is not short, but rather long, indicates Cruickshank.

#### PST Warning Against Fraud

Monterrey EL NORTE in Spanish 8 Jul 84 p 15-A

[Article by Cosme Haces]

[Text] Mexico City, 7 July—If the government does not respect the vote in the 1985 elections, it is very doubtful that the country will be able to make it to the presidential succession in 1988 in a position to wage a peaceful electoral battle.

This warning was made very clearly by the secretary general of the Socialist Workers Party (PST), Rafael Aguilar Talamantes.

The PST leader was interviewed in his party's offices, located in an old house in Colonia Condesa in this city. An enormous portrait of Emiliano Zapata behind the leader seems to follow the interview closely, as it touches on the

situation in the country and the PST's plans for the federal elections of 1985.

Aguilar Talamantes claims that his party will seek to become the primary force of the left in next year's elections, but he also confesses that the Mexican left is in a sad state because of the scattering of groups that will compete at the polls.

At present, he explains, there are five legally registered parties of the left: PPS, PSUM, PST, PRT, and recently Heberto Castillo's PMT.

If these five parties were to enter the electoral contest, he goes on, it would be very dangerous for the left. This is especially so given the advance of the PAN right, because the political forces of the country are on the verge of imbalance, which would lead to a reinforcement of the two-party system.

"The left should reorganize to come to grips with the threat of the bourgeois two-party system, following the U.S. model. Under such a system, national affairs would be resolved by PRI and PAN alone, which would be a retreat from political reform," he says.

According to the PST leader, democratic pluralism should be encouraged to allow the ideological positions and interests of the entire nation to be expressed by various parties with popular support, in order to safeguard the exercise of democratic liberties.

This pluralism will guarantee above all that the most defenseless workers and peasants will be able to express their political will in the Chamber of Deputies and in city governments, he asserts.

The left is running the risk of seeing its ranks shrink in the federal elections of 1985, stresses Aguilar Talamantes, because the law requires parties to justify their registration, which must be done separately.

Each party must save its own skin by obtaining 1.5 percent of the vote in order to remain legally recognized, he points out.

"I think that the solution is for the left to meet, discuss differences, reach agreements and draw up a common electoral platform, a minimum common program that all would agree to campaign for.

"If we manage to reach a compromise, it would be a truly historic advance in achieving understanding among the left. We are proposing this, and other groups have agreed to discuss it," he asserts. "We hope that all parties will be wise enough to sit down and engage in dialog."

Aguilar Talamantes rejects a union between the PST and the PSUM, however.

"We will not consider joining that party," he explains, "for the simple reason that the PSUM emerged at a time when various groups, due to the circumstances of the moment, decided to join their weaknesses in what we have since then termed a mere alphabet soup. The outcome was more weakness."

The PST, he indicates, agrees that the unity of the left is a serious and profound process, not something suddenly pulled out of a hat as the PSUM sees it.

Time has proven the PST right, he asserts. The PSUM has not managed to unite its various factions; it has serious internal disputes, and in fact the same groups that created it still maintain separate policies within this party.

The PSUM has been a disappointment to the people of the left, claims Aguilar Talamantes.

The PST secretary general also mentions the case of other groups that are active in the left, and contends that many of them are of doubtful origins.

He ventures the opinion that these groups were created by Mexican state security authorities to serve as provocateurs and to diffuse the revolutionary organization of the people.

Police socialism, he says, has become highly developed in the country in recent years, and is a traditional method of undermining the forces of the left through leaders linked to the police, who with complete impunity agitate with ultraleftist and radical rhetoric, while their real mission is to divide, confuse and provoke within the ranks of the revolutionaries.

As for the PST, Aguilar Talamantes explains that it is a Marxist-Leninist party that uses the science of socialism to delve into national problems.

"The PST is a new kind of party; this means that it thinks with its own head and promotes a strategy that we call the constitutional route to socialism," he indicates.

"We think that the time has come for the people of Mexico to enforce Article 39 of the Constitution, which states that the people at all times have the power to alter or modify their form of government, and that sovereignty rests exclusively with the people.

"Thus," he goes on, "it is high time the people took their fate into their own hands, because we feel that the problems that have now built up in this country cannot be solved within the framework of the capitalist system, which the present government is somehow protecting and promoting."

Aguilar Talamantes points out that for the 1985 elections the PST will work to become the primary electoral force of the left, and for this purpose it is developing a plan that will enable it to turn its current membership of 100,000 into 1 million comrades.

The PST leader also complains about electoral fraud.

"We had problems with fraud in most states where we ran candidates in 1983. In those elections fraud was widespread," he says. "In some states we are still occupying the city halls, as in Michoacan, Guerrero, Chihuahua and Tamaulipas.



"We had major victories, but the government machine jumped on us and refused to recognize our victories," he claims.

He contends, however, that in one way or another all parties and all political forces have their sights set on the 1985 elections.

Some intend to capitalize on the crisis, spreading an ideologized version of it and trying to find scapegoats that are not always real.

"Other parties, such as ours," says Aguilar Talamantes, "think of the crisis as a challenge which we must meet with imagination, effort, and serenity, certain that Mexico is capable of overcoming this situation while continuing to defend its sovereignty, developing the legal basis of the Constitution and the rights of the people, and creating a better organization to deal with the difficulties of today and tomorrow."

#### PRT Stresses Leftist Unity

Monterrey EL NORTE in Spanish 9 Jul 84 p 11-A

[Article by Cosme Haces]

[Text] Mexico City, 8 July--A joint action on the part of all the opposition parties, both left and right, to defend the vote, is what the Revolutionary Workers Party (PRT) proposes for the 1985 elections.

Electoral fraud has been used by the government to remain in power and favor its friends, such as the PSUM and the PST, claims Ricardo Pascoe, secretary general of the PRT.

Pascoe appeals to all of the opposition to unite against PRI and take steps to defend clean elections, including the creation of an independent vote-counting center to release voting results immediately, even if the tallies are only approximate.

The national leader of the PRT, a party which considers itself Trotskyite and an affiliate of the Fourth International, agreed to be interviewed at the Cafe la Habana. The talk lasts a long time; the leader expresses himself clearly.

"We think that the great challenge for us in the elections of July 1985 will be a lot of votes going to the right, even at the lower class level. The left must present a credible, viable alternative to this.

"We think," he adds, "that the divided, fragmented left that is struggling against itself now is damaging our credibility with the electorate, which is looking for a real alternative to PRI."

Like other leftist leaders, Pascoe insists on the unity of the left.

The truly leftist parties must be the first to discuss the problem of establishing a united front, he says.



This means that the PSUM, PRT and PMT, as legally registered parties, must sit down and discuss the creation of a leftist front, and on the basis of that agreement, it will be possible for other organized groups, such as the Labor, Peasant, Popular Assembly, to move closer and participate in this project in a general way, he explains.

Thus, an association of classes or of the left could be formed to participate more successfully in the elections.

As far as Pascoe is concerned, both the PPS and the PST are appendages of the government.

These parties, like the PSUM, have very strong commitments to the Soviet Union, and that gives them permission to support the government in Mexico, in the opinion of the PRT leader.

Pascoe stresses, however, that the left must first reach a general agreement for unification, and then set forth common objectives in the various districts, so that all parties can back the same candidate. Candidates might include such well-known figures as Rosario Ibarra de Piedra and Valentin Campa o Vallejo.

He feels that the united front proposed by the PPS, the PSUM and the PST, which excludes the PRT, makes no sense. It is a mistake in terms of their political position in preparation for the upcoming elections.

In response to pressure from the right, the left cannot afford to be divided, so it is absurd for those parties to try to promote unification as if it were a private club, he notes.

The left is very broad, and there are differences within it that range from very old and traditional matters to current issues such as the case of Poland.

Specifically, he says that the PSUM as well as the PPS and the PST represent the position of the Soviet Union, and they support its policies unconditionally, even on matters such as the invasion of Afghanistan or the repression of the Polish or Czech or Hungarian people.

"Because we are Trotskyites," he asserts, "we criticize the totalitarian attitudes of the USSR. For them, however, any attack on the Soviets is a manipulation by American imperialists and the CIA. They defend Moscow to the death."

The PRT is a Marxist organization, he continues.

"We are Trotskyites, and we are in the Fourth International, which is different from the International created by Stalin. We are socialists, but we believe that totalitarianism along the Soviet model was never envisioned by those who created socialism.

"For that reason, we agree with the Polish workers' movement known as Solidarity," he explains.

"We have tactical differences with Eurocommunism, but there are similarities between those parties and ours, in that we are all democratic. We believe in socialism with a human face."

He considers the Mexican Labor Party (PLM), on the other hand, an organization clearly inspired by the Mexican government and also run from the United States.

The PLM was created by the system to provide police surveillance in the political sphere, and that is very dangerous, he asserts.

With regard to the PRT's real strength, Pascoe indicates that his organization is not an "election-oriented" party.

Its action is aimed at influencing the popular, worker and peasant movement. It also works with women and youth.

The PRT, he says, has 45,000 members, and it is represented in all states. This has been especially true since the 1982 elections, when it became consolidated.

The PRT was behind the latest two civic demonstrations and the peasant march, he adds.

Pascoe denies that the PRT was responsible for the bombs that were planted at the National Palace last 1 May.

"The Congress of Labor asked the day after the march that the PRT's registration be revoked," he claims. "They were trying to intimidate the party, because even President Miguel de la Madrid was intimidated by the worker protests, which even took place among the ranks of organized labor.

"But we were not the ones who planted the bombs. The young men of the Popular Preparatory who planted them did not even know what Trotskyism was," he explained.

The PRT worries the government because it has never agreed to negotiate with it, says the leader, and the government accuses it of agitation.

"If by agitation it means organizing workers, then we are agitators. But we are protected by the right that everyone has to disagree with the government."

Pascoe claims that the PRT has influence in unions in the electronics, textiles, pharmaceutical chemicals and telephone industries, and even in the federal bureaucracy, in some of them at leadership levels and in others just within the ranks.

He accuses the government of stepping up police actions, espionage tactics and infiltration of groups in order to subvert the workers' movement.

He claims that the government is also creating political organizations to divide the revolutionary movement.

Pascoe contends that his party was also victimized by the electoral fraud of 1983.

For that reason, with an eye on the federal elections of 1985, he issues a call to create a united front among all opposition parties to respect the popular vote.

The joint action of the opposition would include three points, according to the PRT leader:

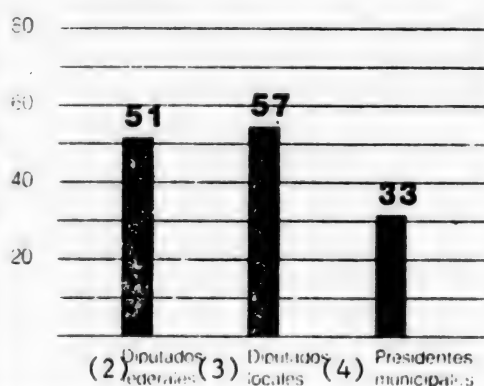
1. Launch a national campaign to educate people about fraud and increase their awareness of it.
2. Join efforts to place representatives at all polling places and to ensure that each opposition party defends the votes of all.
3. Create a joint vote-counting center of the opposition to obtain immediate election results and make them public.

Each opposition party by itself is terribly weak in the face of PRI's power, he exclaims.

"The fundamental task is to join efforts and make July 1985 a civic event in defense of the vote."



### Puestos de elección popular del PAN (1)



### Puestos de elección popular del PDM (5)

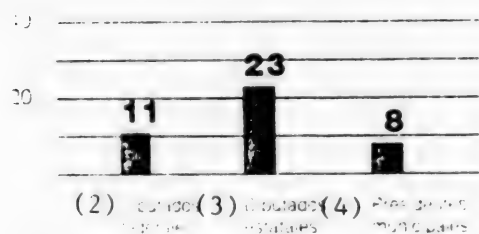


#### Key:

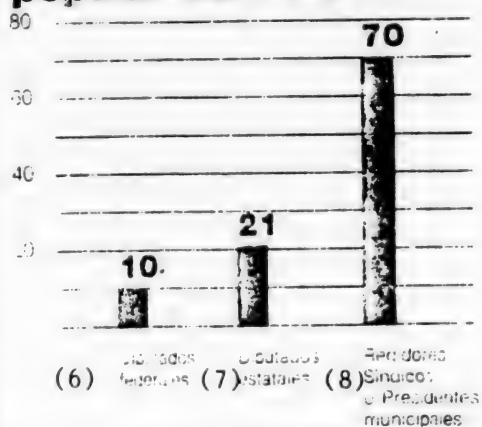
1. Popularly elected seats held by PAN
2. Federal Deputies
3. Local Deputies
4. Municipal Presidents
5. Popularly elected seats held by PDM
6. Federal Deputies
7. State Deputies
8. Municipal Presidents



### Puestos de elección popular del PST (1)



### Puestos de elección popular del PPS (5)



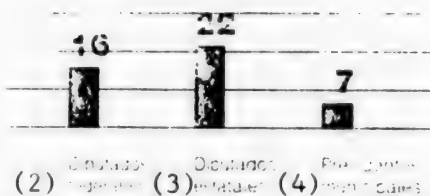
Key:

1. Popularly elected seats held by PST
2. Federal Deputies
3. State Deputies
4. Municipal Presidents
5. Popularly elected seats held by PPS
6. Federal Deputies
7. State Deputies
8. Councilmen, Syndics or Municipal Presidents





### Puestos de elección popular del PSUM (1)



### Puestos de elección popular del PRT 5)



8)

Key:

1. Popularly elected seats held by PSUM
2. Federal Deputies
3. State Deputies
4. Municipal Presidents
5. Popularly elected seats held by PRT
6. Federal Deputies
7. State Deputies
8. Several popularly elected seats at the level of councilmen in municipalities of some states

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## MEXICO

### ROLE OF UNIONIZED LABOR IN MONTERREY ANALYZED

Monterrey EL NORTE in Spanish 3 Jul 84 p 8-A

[First part of a serialized article by Juan Cabrera on the findings of a study by the Economic Research Center of the Autonomous University of Nuevo Leon]

[Excerpts] Who's who in Monterrey unions? A study conducted by the Economic Research Center (CIE) of the Autonomous University of Nuevo Leon (UANL) sheds some light on this interesting question.

The center's research, based on the responses that the unionized workers themselves gave in mid-1983, indicates that one-third of the labor force in Monterrey belongs to a union.

Since estimates are that the economically active population at that time in Monterrey and its metropolitan area totaled a little over 1 million persons, the unionized labor force could well have numbered some 330,000.

How were hundreds of thousands of workers distributed among the various union federations? You might think that the CTM [Confederation of Mexican Workers] is the largest, to judge by press reports.

You would be wrong. The numbers do not bear this suspicion out. Don Fidel's union accounts for just 23.8 percent of organized labor in Monterrey. In other words, a bit less than one-fourth of the unionized labor force belongs to that union.

The one with the largest membership is the National Federation of Independent Trade Unions (FNSI), the so-called white unions, which brings together 36.8 percent of the region's organized labor force, not far from two-fifths of the total.

The government's unions, such as the teachers' group, have more members than the CTM, accounting for a bit more than one quarter of the total. The combined membership of the FNSI and the government unions is 2.6 times larger than that of Don Raul's organization.

If we go by the CIE's numbers, the CTM has some 80,000 workers, the government a few thousand more, and the FNSI perhaps some 120,000. These three unions account for 85 percent of organized labor, the overwhelming majority. The numbers do not look too good for the Revolutionary Confederation of Workers and Peasants (CROC), which reportedly boasts some 16,000 members, or for the National Confederation of Popular Organizations, which has some 4,000. According to the CIE's data, there are perhaps 24,000 workers who do not pay dues to any of these peasant farmer unions and could be categorized as members of "other" trade unions.

Perhaps the numbers do not accurately reflect a union's strength, but this is a thorny issue, at least for economists.

There are other facets that the CIE did not look into because they were outside the scope of its study, such as the loyalty of union members, the unions' tactics and platforms of struggle, their relations with the government, and the number of seats in the local or federal congress. It is these elements that probably create people's impressions of the unions' strength.

#### One-Third Unionized

[Question] What percentage of the labor force in the metropolitan area is unionized?

[Answer] We can gather from the CIE data that it is one-third, around 330,000 workers of a total economically active population of 1 million, consisting of those with jobs plus the unemployed.

[Question] In what lines of work are they employed?

[Answer] The overwhelming majority (91 percent) of union members are employed in four lines of work: industry, the largest with 39 percent; services, 35 percent; business enterprises, less than one-tenth (8.5 percent), and transportation firms, 6.6 percent.

[Question] How extensive is union membership in Monterrey's major branches of industry?

[Answer] It is most extensive in the electric power sector, where 90 percent of the work force is unionized, followed by the extractive industry (58 percent) and transportation (52.1 percent). Manufacturing is less unionized (only 45 percent).

Government takes fifth place on this list, as 46.4 percent of its workers are unionized; it is followed by services companies with 37.6 percent, farm enterprises with 23.5 percent, and lastly by the construction sector with 8.2 percent.

[Question] What sectors do the unions mainly "live off"?

[Answer] The CIE study reveals that the "white" unions live off Monterrey's manufacturing industry, in which 71.3 percent of their members work. One-tenth are in commerce. The same goes for the CTM, though to a lesser degree. A bit less than 40 percent of its members work in industry, and about 1/5 are in the services sector.

The government's unions naturally live off...the government, as more than 90 percent of their affiliates are employed there. Commerce accounts for the highest percentage of CROC's membership (27.7 percent), and a little more than 20 percent are in industry. The CNOP is mostly in services, as slightly more than 1/3 of its members are employed there, while 27.3 percent are in commerce.

[Question] Which are the "strong" unions in each of the various branches of industry in Monterrey?

[Answer] The fact that a union collects most of its dues from a given economic sector does not, of course, guarantee that it will "dominate" that sector in the sense that "its" percentage of members in that sector is larger than that of other unions.

For example, close to 40 percent of the CTM's members work in industry, but Don Fidel's union does not control the sector numerically.

The union "power" picture shows that the CTM is predominant in four more of the nine economic sectors (construction, where it is "tied" with the independent unions; electricity and transportation) and takes second in four others (extractive industry, services, manufacturing and commerce).

The FNSI is number one in the commercial and agricultural sectors, though the latter is of little importance in terms of total union membership, and holds second in two others, construction and electricity. The government's unions are the largest in government, of course, and also in the services sector, presumably because of their teachers.

In short, the government's unions dominate the sector that provides the most jobs in the metropolitan area, services, which employs 31.3 percent of the work force (Note well: the manufacturing industry no longer holds top spot, according to the CIE's data).

The independent unions are the largest in manufacturing, which the CIE says absorbs 27.9 percent of the labor force, and commerce, which is the number three source of jobs. The CTM, the union that Don Raul runs in Monterrey, is the leader in the transportation sector, which employs slightly less than 10 percent of the work force in Monterrey and its metropolitan area.

[Question] Which unions are the best at retaining their workers? Which ones lose the most workers to other unions?

[Answer] The government is the best at retaining its unionized workers; not only that, but workers are even moving over from the CTM, no less, to the government's unions, although there is also movement from the white to the "red" unions.

"The growth of the three union organizations is due mainly to the incorporation of nonunionized workers," says the CIE. "In the case of the CTM, unlike other unions, part of its growth is due to the entry of members who used to belong to independent unions (9.8 percent)."

"The CTM retained 75.5 percent of its members, while 12.2 percent emigrated to government unions and 6.1 percent to the independent unions," the CIE says. "The government unions retained 83.3 percent of their members, and only 4.8 percent switched to the CTM and a like percentage to the independents. The independent unions retained 73.5 percent of their affiliates, while 18.8 percent switched to the CTM and 4.3 percent to government unions.

"The retention rate (the workers that a union retains as a percentage of its total membership) is much higher in the government unions than in the CTM and independents. There is a (net) interunion migration pattern from the independents to the CTM and from the latter to the government."

[Question] What union has the best atmosphere, according to the workers?

[Answer] The CIE asked them: Do you consider your union atmosphere pleasant, pleasant and beneficial, unpleasant, or unpleasant to the point that you are planning to quit?

The responses are interesting. "The figures here show basically two things: first, that the pattern of responses regarding the quality of the union's atmosphere is very similar among members of the CTM and the independent unions; second, that a high percentage (69.5) of the members of the government unions felt that their union atmosphere was pleasant and beneficial."

"This is a higher percentage than among members of the CTM and independent unions and it can perhaps be explained by the many fringe benefits."

#### Anatomy of Local Unionism

How Strong Are the CTM, CNOP, CROC...? (Union Share in Total Membership)

Government Unions	25.1 percent
CROC	5.0
CTM	23.8
CNOP	1.2
Independents	36.8



Where Do Union Members Work? (Worker Distribution in the Main Branches of Industry)

Agriculture	0.4 percent
Mining	1.1
Manufacturing	39.1
Construction	2.1
Electricity	0.9
Commerce	8.5
Transportation	6.6
Services	36.0
Government	2.8

What Union Dominates Each Sector? (Breakdown of Union Members by Branch)

	<u>First Place</u>	<u>Percent</u>	<u>Second Place</u>	<u>Percent</u>
Agriculture	Independents	75	Others	25
Mining	Others	50	CTM	30
Manufacturing	Independents	67	CTM	23.7
Construction	CTM, Ind.	40	CROC	15
Electricity	CTM	75	Ind.	25
Commerce	Ind	45	CTM	28.8
Transportation	CTM	61.3	Others	16.1
Services	Government	63.9	CTM	12.7
Government	Government	46.2	Others	30.8

What Percentage of Workers Decide on Their Own to Join a Union?

CTM	38.8 percent
CROC	51.4
CNOP	54.4
Government	28.8
Independents	19.4

What Percentage Join Because It Is a Company Requirement?

CTM	33.0 percent
CROC	17.0
CNOP	9.1
Government	36.9
Independents	66.2

What Percentage Join Because It Is a Union Requirement?

CTM	27.7 percent
CROC	31.9
CNOP	36.4
Government	33.9
Independents	12.7

Source: Economic Research Center of the Autonomous University of Nuevo Leon

## MEXICO

### BRIEFS

TELMEX FOREIGN DEBT FIGURE--Guadalajara, Jalisco, 19 Jul--Mexican Telephones (TELMEX) has a foreign debt of slightly more than \$800 million that must be paid back in 15 years, the director of the government-run enterprise, Emilio Carrillo Gamboa, reported today, adding that telephone service rates will not be boosted for the rest of the year. He went on to say that automatic long-distance dialing would soon be available in Mexico at airports, bus terminals and railways stations. Interviewed after meeting with Governor Enrique Alvarez del Castillo at the Government Palace, the director asserted that public telephone service would not be eliminated and would continue to take low-denomination coins. He said that TELMEX has recently invested some 26 billion pesos to modernize digital exchanges and microwave systems and to expand its facilities in the country. He pointed out that the company would be investing around 90 billion pesos to introduce other up-to-date telephone communication systems. TELMEX, he asserted, has an annual growth rate of 11 percent and is a sound, profitable enterprise that provides an indispensable service to the community. [Text] [Mexico City EXCELSIOR in Spanish 20 Jul 84 pp 5-A, 20-A] 8743

CSO: 3248/726

## BRIEFS

WAGE ROW RESOLUTION--PLYMOUTH, Sun., (Cana)--A DISPUTE over a new wages agreement for Water Authority workers, which partly led to last month's declaration of a State of Emergency in Montserrat, has been resolved with agreement on a seven per cent increase. The agreement is two per cent above the company's last offer and five per cent less than what the union was seeking. Governor David Dale imposed the State of Emergency after workers from the Montserrat Electricity Company (Monlec) and the Water Authority, both represented by the Montserrat Allied Workers' Union, went on strike on June 20. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 16 Jul 84 p 5]

FAILED 'NO CONFIDENCE' MOTION--PLYMOUTH, Tues. (Cana)--THE GOVERNMENT of Chief Minister John Osborne easily survived an Opposition motion of no confidence yesterday. Tabled by Opposition Progressive Democratic Party (PDP) Leader, Austin Bramble, the motion accused Osborne's People's Liberation Movement (PLM) administration of incompetence, and called on the Chief Minister to resign. But Osborne brushed aside the criticism with a strong defence of his Government's record, saying that it had achieved more in one completed term of office than the PDP had done in two. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 18 Jul 84 p 5]

CSO: 3298/1007

FRG TO PROMOTE SMALL BUSINESS DEVELOPMENT

Lima EL COMERCIO in Spanish 21 Jul 84 p A-16

[Text] Trujillo, 20 July--Complete willingness to back the program to promote small industry in Trujillo (PROIND) has been shown by the German Association for Technical Cooperation (GTZ), represented by Bernd Foerstner and engineers Karl Plapzer and Bedros Oechekekin.

This incentive has made it possible to extend the terms of the agreement, according to an official from CORLIB, which is responsible for the plan of action. GTZ's decision was conveyed to the PROIN-Trujillo executive committee during a work meeting held in the La Libertad corporation.

The three Germans engaged in an effort to monitor the aforementioned program and held work meetings with the Peruvian technicians, evaluating the work that had been performed.

The German organization has set as its goal the intensification of PROIND, lending it a regional quality; so that, using its own facilities, it may offer services and meet the needs of small industry.

The program has been extended to June of next year. The activities scheduled by the Germans have been outlined in a document known as a work progress report, whereby GTZ is placing 250,000 German marks at the disposal of the plan to equip the service center for the small footwear industry.

Also to be made available are 15 grants, with a maximum of 45 man-months, lasting 3 months, primarily in Latin America. They will send experts over the short term, with up to 22 man-months. At present, technicians are necessary for the leather finishing (1 man-month).

The sending of experts over the long term has been stipulated for the business management areas, as well as the technical area; and in both instances the advising will continue until 1986.

2909

CSO: 3348/517

## NEWSPAPER SUPPORTS DEBT BONDS PROPOSAL

Lima LA PRENSA in Spanish 19 Jul 84 p 11

[Text] If Peru succeeds in putting part of the long-term public debt on the international markets, in the form of "debt bonds," the service on the debt could decline to a percentage equivalent to 12 percent of its exports.

That initiative was published on this economic page on Monday, 9 July of this year, by our contributor, economist Cesar Awapara, under the title "An Alternative: Public Debt Bonds."

Four days later, on Friday, 13 July, at the conclusion of a workshop-seminar organized by the Cartagena Agreement Board, on the "debt in the Andean Group," as one of the results the possibility of converting the GRAN's [Andean Regional Group] debt into bonds was approved.

The workshop-seminar also proposed internationalizing the problem and demanding that the IMF also require fiscal balance of the creditor countries, an initiative that was put forth on this page as well.

Yesterday, in a local newspaper, the Peruvian economist, Oscar Ugarteche, consultant to the Cartagena Agreement Board and the OAS, declared: "I agree that the bonds would be one of the viable solutions, and that they could be handled by the international agencies."

In his article, Cesar Awapara remarked that the issuance of public debt securities is not odd nor alien to the financial world. It is part of the little that has been attempted to achieve a restructuring of the public debt.

The option has been proposed as follows: To issue part of the long-term public debt in bonds. The example is given of the issuance of \$8 billion, in other words, 56 percent of our foreign debt, for a 20-year period, at a fixed annual interest rate of 18 percent. The interest rate at present is 13 percent (prime rate).

The \$8 billion would be issued in a uniform annual sum of \$400 million.

The first year, Peru would pay about \$1.4 billion in interest, plus the \$400 million associated with the issuance of the bonds; making a total of \$1.840 billion, which would represent 61.3 percent of the total exports.



During the second year, the debt would not be \$8 billion, but rather \$7.6 billion; and 18 percent of this amount would have to be deducted for the payment of interest, which represents \$1.368 billion.

Also during this second year, it would be necessary to pay the \$400 million fixed sum, plus the \$1.368 billion. This would make a total of \$1.761 billion, representing 58.35 percent of the exports.

If we were to continue for the 20 years, we would observe that the percentage allocated for the debt service is declining in relation to our exports.

Upon reaching the last year of the bond redemption, during which \$400 million would be paid, plus the 18 percent, the amount would be \$72 million, and the final debt would be \$472 million.

If we assume that our exports increase at an annual average of 1 percent, which in itself is a "very conservative" percentage, and based on a sum of \$3 billion for exports, at the end of the 20 years the total would be \$3.7 billion for exports.

Since during the last year the debt represented by the bonds would be \$470 million, this amount would represent 12.7 percent of our exports.

Now that it is known that we cannot pay the interest temporarily, it has become at least necessary to study this alternative offered by LA PRENSA.

2909

CSO: 3348/517

COMMUNIST PARTY CENTRAL COMMITTEE REPORT SUMMARIZED

Lima UNIDAD in Spanish 26 Jul 84 p 5

[Text] On 21 July, the Plenum of the Peruvian Communist Party's Central Committee took place in Lima.

The political report was submitted by Comrade Jorge del Prado, the party's secretary general.

The document, which served as the basis for the discussion, was intended to update and make more effective the implementation of the line during this "unusually significant and crucial" period in our history, as the report describes it.

The report stressed that a substantial worsening of the political situation is taking place at the present time.

The first fact underscored by the main report in this regard is "that in the context of the economic crisis, which continues to intensify, the problem of paying the foreign debt and its interest has become a decisive political factor, concerning which the social and political forces have become polarized, and the fundamental contradictions in the present Peruvian society, and all the social and political conflicts stemming from it have become aggravated."

In this section, the report also established the main economic indicators for the period from January to July, citing first the inflation, which has now risen to 47.6 percent, and predicting an intensification in the rate of its development that will end up making it over 100 percent by the year's end; then the monetary devaluation, approaching 4,000 soles per dollar, during the same period. Next, the recession, which is one of the main factors in unemployment, especially in the industrial sector, which already has 60 percent of its installed capacity at a standstill; a figure that will increase sharply as a result of the 17 percent tax on the bank interest rate which, in fact, has affected over 1,100 business firms and has put 55,000 workers at the brink of being laid off. Finally, national production, which has continued a downward course since last year and, during the first 3 months of this year, declined by -11 percent in comparison with the same period in 1983, without showing the slightest sign of recovery. Under these conditions (the report notes),

the 1984 national budget, which started in January with a deficit of 40 billion soles, is continuing to increase its negative balance. As a result of all the foregoing, the report emphasized that the foreign debt, constantly increased by the present regime, has now reached the record figure of \$12.904 billion, equivalent to over four times the exports, 50 percent of the gross domestic product and the total volume of the budgets for 1981, 1982 and 1983, with an annual interest rate of 10 percent, equivalent to 48 percent of the exports, in other words, an amount impossible to pay.

In his report, Comrade Del Prado warned of the serious dangers entailed in the terms of the "letter of intent," the essence of which "represents a greater intensification of our dependence and a larger debt."

"The IMF's strategy in this respect is directed toward affirming the global strategy of the imperialists in the Southern Cone, affecting in particular countries such as our own, Bolivia and Argentina," among those penalized most.

The report criticized the rise in interest rates planned by the creditor banks, "interested in covering with the results thereof the gigantic deficit caused by the war budget." It cautioned against the dangers of nuclear war threatening the world, precisely because of the threats and machinations of the Reagan administration, aimed essentially against the USSR, the Socialist camp and the countries struggling for their national and social liberation.

It stressed that this explains the unique importance assumed in the current situation by the struggle for world peace, but in particular, the display of the most extensive, combative solidarity with the peoples of Cuba, Nicaragua and El Salvador, who are now located in the center of imperialist continental aggression.

In the debate, mention was made of the need to struggle untiringly among the rank and file and on the mass level to pit the regional and local defense fronts against the government's economic policy, promoting, through the party and United Left, a great movement of opinion in this direction.

In the part relating to the terrorist phenomenon, the report analyzed its projections, stressing that this phenomenon has been acquiring alarming features during recent months. It cited the need for intensifying the ideological campaign, publicly demarcating positions with respect to "Shining Path" and its strategy and tactics, which are totally dissociated from Marxist-Leninist principles and from the sentiments of the masses; primarily using methods of terror alien to those used by revolutionaries which, on the contrary, are based on the mass struggle. It also issued an alert regarding the use of the terrorist phenomenon by the reactionary and fascist-oriented forces, not only to intensify the repressive action against the people, but also to put into effect terrorist operations aimed at decimating and liquidating the leftist organizations, and IU in particular.

The report traced the line that must be imparted to the single front effort, based on the progress made by United Left; which, essentially, must be founded

upon a consistent line of accumulating forces and organization on the national level, so as to be able to compete under better conditions with the class enemy in the forthcoming electoral process. For this purpose, the strategy and tactics to be pursued within IU were outlined, consolidating the organization and proceeding resolutely toward the Fourth Expanded National Managing Committee called for next month.

It declared: "A mass line must be devised for our political, social and trade union work, inasmuch as the present government economic policy and the effects of the crisis that is besetting us are contributing to an exacerbation of the fundamental contradictions and to a heightening of the class struggle."

Next, it made an assessment of the most recent mass struggles, particularly the latest national strike of 22 March, the teachers' struggle, the strike at CITE, the construction workers' battle, etc. It was remarked that all of them were victorious activities which have helped to raise the consciousness of the masses in the battle against the Belaunde government's economic policy.

A caution was given regarding the dangers threatening the popular and labor movement, especially the massive layoffs, another general rise in the cost of living due to the decline of the domestic market and the hike in prices of imported products which are now free from native competition.

It was resolved to alert the rank and file and the people as a whole to wage a battle against all these threats and to give an impetus, through the CGTP [General Confederation of Peruvian Workers], to the peasant movement combined in the CUNA [Sole Agrarian Central Organization] and the popular and student movement.

Finally, a series of measures was adopted to reinforce the campaign for party registration in the Electoral Jury, with the party rank and file recommended to promote it immediately, so as to complete the task this August.

The Political Commission was also assigned to adopt measures on other aspects of party work, relating to the effort for organization and education, as well as other work fronts which need to be reinforced at present, so as to promote the tasks assigned by the plenum.

2909

CSO: 3348/517

## BRIEFS

LEFT CHALLENGED TO CONDEMN TERRORISM--Yesterday, the Populist deputy, Ricardo Burga Velasco, called upon the United Left and its various leaders to come out against the terrorist actions of Shining Path. He remarked that it was very strange and even regrettable that they have not directly condemned the terrorist escalation on the part of those seeking to destabilize the democratic government system in the country. Upon leaving the Legislative Palace, Burga commented: "It is strange that IU has not yet assumed a clearcut position regarding these insane acts. They demand a great deal for the defense of human rights, but they seldom take the trouble to condemn the violations and assassinations that the Shining Path members commit against police, peasants and authorities." He advocated the establishment of summary proceedings for the terrorists who have actually been publicly executing innocent persons, whose basic human rights they do not respect in the least. The former departmental secretary of AP [Popular Action] in Lima noted: "How is it possible for the Marxist left not to repudiate these practices to date. Peru has taken notice of these incidents. All of us Peruvians must adopt a unified position condemning terrorism, which is a problem that the next government will unquestionably continue to face." He was asked whether this leftist position toward terrorism might represent some sympathy for Shining Path, to which Burga replied that the public would have to judge this, "but insofar as I am concerned, this leaves a great deal to be desired." [Text] [Lima LA PRENSA in Spanish 19 Jul 84 p 3] 2909

CSO: 3348/517



## BRIEFS

ELECTION CHALLENGE--BASSETTERRE, Wed., (Wed): LOSING labour candidate in last month's elections, E. St. John Payne, filed an election petition in St. Kitts High Court today, challenging the win of the People's Action Movement (PAM) candidate, Fitzroy Jones, newly appointed Minister of Trade. Alliance of the PAM and the Nevis Reformation Party won nine seats in the elections to Labour's two. That petition alleges that certain ballots, which the returning officer of St. Christopher (St. Kitts) Electoral District 8 declared good and in Jone's favour, were, in fact, void for uncertainty. Payne, a former Labour Government Minister, also alleges in the petition that 40 persons who should have voted in the constituency were ordered to vote in nearby Electoral District 8, thus rendering the elections in Constituency 7 null and void. Jones was declared by Supervisor of Elections, Eugene Petty, to have gained 871 votes to Payne's 806. The petitioner also charges that the returning officer, Donald McLachlan, for Constituency 7, counted many ballot papers in favour of Fitzroy Jones which were good and valid votes for Payne. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 12 Jul 84 p 5]

CSO: 3298/994

# HIGH BIRTH RATE SEEN AS THREAT TO UNDERMINE ECONOMY

Port-of-Spain TRINIDAD GUARDIAN in English 9 Jul 84 p 16

[Text]

CASTRIES, Sun., (Cana):

THE United Nations Fund for Population Activities (UNFPA) is preparing a population policy for Saint Lucia, which has the second highest birth-rate in the Western Hemisphere, UNFPA programme officer, Erik Palsta said here.

Palsta said it was hoped that the policy would be taken to Parliament, where Health Minister Clendon Mason said recently that the population was continuing to rise at an alarming rate.

"It is only then we could assist government in the establishment of the programme," the UNFPA official said.

He added: "What the UNFPA is doing is supplementing salaries for local personnel to carry out programmes. UNFPA will provide equipment and purchase contraceptives."

Official figures show that last year 12 girls between the ages of ten and 14 became mothers, while the present birth rate has been put at 2.5 per cent or an average of 3,000 babies per year.

Prime Minister John Compton said the economy definitely could not accommodate such an average.

"This means that every year we need to provide 3,000 new school places," he said, "that is why instead of having constructed over 30 new schools or created 15,000 new school places during the last ten years, there is still a shortage of places."

The Prime Minister said something needed to be done to remove the threat to the Saint Lucia economy from the baby boom.

"The economy definitely cannot grow to the extent of providing some 2,500 new jobs annually," he said "unless we engage in a serious programme of family planning and population control, the weight of the new population will strangle the economy, leaving us to wallow in poverty."

Authorities here hold the male populace as being largely responsible for the upsurge in births, pointing out that whereas 271 women received birth control treatment last year, only one man was treated.

## CENAC CALLS ON COMPTON TO HOLD NEW ELECTIONS

Port-of-Spain TRINIDAD GUARDIAN in English 13 Jul 84 p 5

[Text]

CASTRIES, Thurs..(Cana):

LEADER of Saint Lucia's parliamentary Opposition, Neville Cenac, has called on Government to return to the polls, in an effort to resolve the country's growing unemployment problem.

In a letter to Prime Minister John Compton, Cenac said that for the last six months unemployment had been ravaging the south of the island, where 1,000 workers had "been pulled within the twisting cyclone of unemployment."

He identified the most southerly town of Vieux Fort, the industrial capital, and the villages of Micoud, Labourie and Choleuil as the main casualties.

He argued: "If the closing down of Milton Bradley (toy factory in 1979) and the destruction of the flour mill brought the south to its knees, recent events have put the south flat on its face."

Elections were last held here in May, 1982, when Compton's United Workers' Party routed a divided Labour Party, winning 14 of the 17 seats.

There was no immediate reaction to Cenac's letter from Government, but a response is being prepared by the Labour Ministry.

In 1980, Hurricane Allen destroyed a flour mill at Vieux Fort, which had exports to several Caribbean islands.

Cenac said within a matter of months, several concerns had closed operations, increasing unemployment on the island.

"The South has recently witnessed the going of Universal Flavours and Desiree Garment Factory with 100 jobs lost. Then came the loss of about 500 jobs at the Vieux Fort docks, followed by the closing down of Halcyon Days (hotel) with 300 workers also sitting at home.

## FABRIC IN PERIL

On June 29, another blow was dealt 50 workers by Caricom marketing," Cenac's letter said.

Cenac felt the way to keep people off the streets was by providing employment for them, adding: "Please, do not let the thousands sitting at home rise like the lions after slumber in unvanquishable number."

He said he neither preached nor believed in the overthrow of lawfully-constituted governments, but "when such authorities are faced with serious problems, be they economic or political, it is prudent to go back to the people, lest the democratic fabric is endangered."

Cenac said the Labour Party Government set a good example, when it was pressured to resign in 1982, ending a leadership struggle.

What's more, he added: "This is always the safest and less costly course."

CSO: 3298/995

## BRIEFS

**SMALL BUSINESS PROSPECTS**—A major step has been taken here towards broadening the economic base of the country's small businesses and small entrepreneurs are now being given an opportunity to obtain credit to expand and establish their businesses. This is now possible with the formation of the National Research and Development Foundation, which has formally commenced the operations of its credit and counselling unit. The unit will be providing loans and technical assistance to existing small businesses and a allocated industry. A spokesman for the foundation says, all development foundations which have been established, have sought to make life easier for the small man, in his efforts to develop his enterprise. "The inability of the average individual to develop his enterprise as a result of a shortage of finance, is one of the major factors responsible for the skewed economies of developing countries," the spokesman said. He added that the traditional lending institutions such as the commercial banks are not wholly geared to service the needs of the small grass root people, who need financial help to launch themselves into useful types of economic activity. To qualify for a loan from the Foundation, a client must either have a small business which needs some capital for expansion or improvement, or have a proposal for a viable one. The Foundation take whatever security is available, if any, but will not insist," he noted. The spokesman says, "the idea is to help particularly those who cannot meet the criteria of other lending institutions. The first loans are to be made next month. [Text] [Castries THE WEEKEND VOICE in English 30 Jun 84 p 18]

**FRENCH DELEGATION**—DEPUTY Prime Minister and Minister for Trade, Industry and Tourism Hon. W. George Mallet on Wednesday met with a visiting French delegation at his office to discuss matters of trade. The aim of the meeting was to investigate and promote the establishment of a Regional Association of Agro-Industries which will include the islands of Martinique, Guadeloupe, Dominica and St. Lucia. The delegation discussed with the Minister, the benefits to the local agro-industry which such a body can have, as well as areas of technological co-operation. Mr. Mallet also discussed with the team broader aspects of relationship between the French islands and St. Lucia, including trade relations and the movement of persons. The French delegation later met with other Government Officials, representatives of the Private Sector Organisations and persons engaged in the agro-industry. The seven-man team was led by Monsieur Decre, the Commissioner responsible for Industrialization in the French Overseas Department. Also on the team was Monsieur Lepatre, President of the National Association for Agro-Industries in France. [Text] [Castries THE WEEKEND VOICE in English 30 Jun 84 p 15]

## ST VINCENT AND THE GRENADINES

### BRIEFS

**HYDROELECTRIC SCHEME**--Recently Ambassador Joel Toney signed an agreement with the International Development Agency, on behalf of the government of St. Vincent and the Grenadines, for a loan of US\$5 million, to help with construction of a Hydro Electricity Plant at Cumberland. The agreement was also signed by David Knox, IDA's regional Vice President for the Caribbean and Latin America, and Vinlec's General Manager Joel Huggins. The proposed 34 million dollar hydro project is also being financed with funds from the European Investment Bank, CIDA, USAID and the CBD. When completed it will provide some 3.5 megawatts of electricity and will meet the State's requirements up to the 1990's.

CSO: 3298/1011



# MOEDERBOND CRITICIZES IMPORT PERMIT POLICY

Paramaribo DE WARE TIJD in Dutch 17 Jul 84 p 1

[Text] The executive board meeting of "De Moederbond" on Sunday discussed critically the permit policy. A policy is being pursued that leads to layoffs and even to the closing of businesses, it was asserted.

At the meeting, names were given of well-known importers who have not received permission to import goods. However, there are others who in one way or another have indeed succeeded in importing those goods for which the well-known importers are officially the representatives, all behind the backs of the well-known importers.

Another point of discussion was the shortage of raw materials at a number of businesses. At the meeting it was clear that new industries that had opened with much fanfare closed down after several weeks because there are no raw materials on hand. "That is no way to stimulate domestic industry," it was asserted.

It was further pointed out that before long several hundred young people will again be released from school without there being adequate employment for them.

With regard to employment, attention was drawn to the problems still being presented concerning the Soda Fountain. Director Eugene Krekko has had the firm closed down for longer than a month now, and refuses to pay salaries, in spite of the fact that people are still employed. (He did not gain the consent of the government to lay off 20 of the 28 staff members because of retrenchment.)

At the meeting of the Moederbond, it was clear that the problems into which the Fountain has gotten are based on the permit policy. Over the last 2 years, two snack bars have been closed down. Both with a collective labor agreement. In the first case--Kerstens Lunch Room--a permit was granted to set up Macoland and in the second case Soda Fountain got permission Alegria [as published].

Involved are two companies which are primarily centered around family members and which have no collective labor agreement obligations.

At the meeting the point emerged that staff members, some even with 16 years of service, have come into problems through the closing of the Fountain.

"De Moederbond" feels that the staff should receive its salary and other collectively bargained provisions as normal.

Criticism was also made about the fact that Krekko put staff members up to complaining to the Ministry of People's Mobilization about the way in which the Fountain union executive board is approaching the problem.

12271

CSO: 3214/54

## BRIEFS

CUBAN INSTRUCTION ARRANGEMENT SUSPENDED--A number of top economists from Cuba and the University of the West Indies were to be installed as instructors at the University of Suriname. Former Minister of Education and Science Glenn Sankatsingh had promised all possible cooperation for this. This was handed down by sources from the university. These economists were to be installed in a program specially designed for them. However, this plan did not go through because the cooperative tie with Cuba was suspended exactly 2 days before these Cuban experts were to arrive here. The actual origins of the present set of problems concerning instructors in economics are to be found in this, according to the spokesman for the university. The fact is that since that time the Steering Committee has been confronted with the fact that its endeavors to bring in Cuban economists could not go through. In the meantime, the need for instructors in this subject had become more acute. Only then did the board decide to seek out the necessary instructors in Western Europe. According to statements, the Steering Committee needs 5 months for this. With regard to bringing in Surinamers, the Steering Committee has the attitude that such persons must be judged by the Steering Committee according to their revolutionary beliefs in addition to their academic and possible teaching experience. However, it was not clear whether the instructors from Cuba were also screened on the basis of the Surinamese revolution. [Text] [Paramaribo DE WARE TIJD in Dutch 16 Jul 84 p 1] 12271

VENEZUELAN FISHING BOATS SEIZED--A marine vessel yesterday caught four boats sailing under the Venezuelan flag red-handed as they were throwing out their nets in Surinamese territorial waters. The four vessels were instructed to stop fishing and immediately sail to Paramaribo. The Venezuelans had a small quantity of fish on board, which was dealt with according to the appropriate regulations. The four captains were taken into custody and the vessels were docked. [Text] [Paramaribo DE WEST in Dutch 16 Jul 84 p 1] 12271

ASPECTS OF LITERACY CAMPAIGN--The literacy campaign for the 70,000 illiterates in Suriname begins on 1 August and will last approximately until the end of 1985. Minister Allen Li Fo Sjoie provided information Friday morning concerning the advances made by Literacy '84 during a press conference. The plan was to be finished within 3 to 6 months, but

this is no longer feasible. We had thought, Minister Li Fo Sjoë said, that we would teach the 70,000 Surinamers who are still illiterate to read and write within 3 to 6 months, but this is no longer feasible. Of the 20,000 literates we need, we have found only some 500 volunteers who are prepared to instruct their countrymen. Many in the community had the idea that Literacy '84 was the idea of a certain group from our community. Before long, the ministry will devote a special press conference to this project. After an evaluation, we have come to the conclusion that this campaign will cost us not 27 but 14 million. The Surinamese community in cooperation with the government will have to come up with 7 million, and we expect the rest from financiers abroad, the minister said. The literacy campaign will begin at Nieuw Nickerie, Hanna's Lust, Drietabbetje, Powakka, Boven Stuwmeer and in the Paramaribo area, at Kwatta, Derde Rijkweg, Welgelegen and Houttuin. The literacy organizers are attuning themselves to those literates who are available, and are continuing to work towards expansion, the minister continued. Besides in the various districts and quarters, the Literacy Committee will also work in the ministries, firms and offices, such as the CIS [expansion unknown] the Ministry of Public Works, the Environmental Administration, Billiton, Surland and other offices, ministries and firms. In order to better get the idea of literacy across to the people, the government has decided to transform Literacy '84 in the short run into a foundation, Minister Li Fo Sjoë continued. The Council of Ministers has already approved this proposal. The foundation's governing board will consist of seven people who predominantly come from education, but of course the other social partners which participate in this government will also be represented in the literacy process. In addition to the foundation's governing board, a managing board will be formed from the leaders presently in charge of literacy affairs. The managing board will be assisted by various commissions, such as the propaganda commission, the verification commission, the accompaniment commission, the financial commission and the fundraising commission. I might mention as well, Li Fo Sjoë concluded, that the Director General of UNESCO will call on the large foreign moneylenders at a fitting moment in a general meeting to support the literacy project. [Text] [Paramaribo DE WARE TLJD in Dutch 16 Jul 84 p 2] 12271

DOMESTICALLY-PRODUCED MARGARINE--At the initiative of the Victoria Agricultural Company, the margarine and fats factory on the Pad van Wanica, Suriname district, has produced margarine from practically 100 percent Surinamese raw materials. As a rest, approximately 600 kilos of this margarine has been distributed by the factory. The Surinamese margarine has been tested in Europe and found to be good. The Dutch laboratory where this took place informed the Victoria Agricultural Company that the new product bears comparison fully with the margarine that has been produced in Suriname up to now. In developing the new product, Victoria brought in a foreign consultant who developed a formula consisting of 65 percent refined palm oil and 35 percent refined kernel oil. To this is added salt and flavoring. Both the palm oil and the kernel oil come from Victoria's oil palm fields in the Brokopondo district. Victoria would like to see the test order of 600 kilos result in the purchase of greater quantities of Surinamese raw materials by the margarine factory. [Text] [Paramaribo DE WEST in Dutch 17 Jul 84 p 1] 12271



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